

RAILWAYS ACT, 1921.

PROCEEDINGS OF RAILWAY RATES
TRIBUNAL.

1. MINIMUM DISTANCES.
2. MILEAGE GRADATIONS.
3. FORM OF SCHEDULES OF STANDARD CHARGES.

FRIDAY, MARCH 2ND, 1923.

FOURTH DAY.



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PROCEEDINGS OF RAILWAY RATES TRIBUNAL.

FRIDAY, MARCH 2ND, 1923.

PRESENT:

W. B. CLODE, Esq., K.C. (*President*).
W. A. JEPSON, Esq.
GEO. C. LOCKET, Esq., J.P.

FOURTH DAY.

Mr. BRUCE THOMAS and Mr. A. TYLOR appeared for the Railway Companies' Association.

Mr. EDWIN CLEMENTS (instructed by Messrs. Neish, Howell & Haldane) appeared for the Dairy Appliance Manufacturers' Association.

Mr. EDWIN CLEMENTS (instructed by Mr. R. Borough Hopkins of Leeds) appeared for the National Federation of Iron and Steel Manufacturers.

Mr. HENRY G. PURCHASE appeared for the National Association of Railway Travellers.

THE HON. R. STAFFORD CRIPPS appeared for the London County Council.

Mr. JACQUES ABADY appeared for the Mining Association of Great Britain.

Mr. DRAGE appeared for the Traders' Coordinating Committee.

Mr. COYSH appeared for the United Kingdom Commercial Travellers' Association.

Mr. RAMSDEN WALKER appeared for the Cyclists' Touring Club.

Mr. DEW appeared for the National Association for the Promotion of Cheap Transit.

Mr. HIX appeared for the Brighton and Hove Season Ticket Holders and Railway Passengers' Association.

Mr. Clements: I presume, Sir, you have not absolutely closed the hearing of the case on the mileage gradations?

President: No.

Mr. Clements: I wish to say on behalf of one of the Objectors—

President: Which is that?

Mr. Clements: The Glass Bottle Manufacturers' Association. That industry is mainly interested in the long distance traffic, and they feel that, having regard to the amalgamations which have taken place, the present gradations stop short too soon. In other words, they think that provision ought to be made beyond the existing gradations for further reductions—for further distances. I do not know whether I make myself clear. But, with all the will in the world to come here at this stage and support their objection, they find themselves unable to do so in the absence of the figures, the quantum of the rates, which will be applied to whatever gradations are settled.

Mr. Jepson: you mean that there should be a further break into the remainder of the distance beyond the 100 miles?

Mr. Clements: Quite so. I think you will see that they are right in saying that they cannot present their case at the present stage without having the figures; because a great deal must depend, as regards long distances, on the last figure of the gradation, whatever it may be. That is all I wish to say on behalf of those Objectors. They support the other traders with regard to the gradations which have been already mentioned.

President: Now, Mr. Pike.

Mr. Pike: We regard this matter as of so much importance to us that if I am afraid I must amplify to some extent what I said yesterday. Perhaps I might first refer to what Mr. Clements has just said with regard to distances over 100 miles. The proposals at

present go up to 100 miles, and then it is for any distance over 100 miles. The question of making a further gradation beyond the 100 miles has been considered, and it has been looked at very carefully. But we felt that any reduction that could be made for, say, 150 miles or 200 miles, would be of such a small amount that it really would not help anyone very much, and would only add an additional complication to the calculations. On this general question of the mileage gradations, as was said yesterday, for many years it has been the practice in this country to base charging powers on a tapering scale—that is to say, that the charge per ton mile for the first so many miles is at the highest rate, and then it is a gradually decreasing ton mile figure as the distance increases. That is a principle which has been adopted not only here but in many other countries; and from what I heard yesterday, and from what I have heard before, it is a principle which seems to meet with the approval of the traders as being the right and proper one to apply; and it is, in our opinion, also the right and proper principle to apply; because, as the distance increases, the total over-all cost decreases, and it is only right that the charge should follow. The provisional proposals that we have put forward are merely an extension of that by the inclusion of one more break—a break for the first 10 miles—and for that to apply to the places to which it does not at present apply. It has been suggested that it is not a very large part of the country, and that if you take out coal there is not much in it. I would like to point out two things there. In the first place, although the area, measured in miles, of railway may not be so great as the area where it does not apply, it does cover some very large and important industrial districts—the large works on the Tees, on the Tyne, and on the Clyde; all the industrial works in Yorkshire, in Durham, and in Northumberland, and throughout the whole of Scotland. Then, on the other point,

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Mr. JOAN PIKE.

[Continued.]

as to the traffic, I think I have some statements here which, perhaps, I might put in. (*Same handed.*)

President: Will you let the Opponents have a copy?

Mr. Abady: Is it not a little late for statements to be put in in reply?

President: We want to be as lenient as possible to both sides. You will not be prejudiced.

Mr. Pike: These statements are necessarily confined to my own Company—the London, Midland and Scottish—because they have had to be got out since last night. We have taken the traffic for the test week, which has been referred to so often in these proceedings—namely, the week ending March 27th, 1920—when, I might say, there was quite a good volume of traffic passing; and where, owing to its not being a season for certain traffics, those traffics have not come into it, we have taken some other period for those traffics so as to get a really representative figure. And we have divided up that tonnage to show the total tonnage that will fall under the new classification into various classes. I would like, first of all, to refer to the figures at the bottom of the page. You will see there, in the second column of figures, that out of the total traffic passing for distances up to 10 miles, 95 per cent. is in Classes 1 to 10, which correspond to the existing Classes A, B and C, those being the classes to which on the North Eastern, on the Scottish, and on other Companies this difference of mileage gradation applies; and only 5 per cent. is in the classes between 11 and 20. Between 11 miles and 20 miles 83 per cent. of the total traffic passing is in Classes 1 to 10; and 17 per cent. is in Classes 11 to 20.

Mr. Abady: That 95 per cent. is 95 per cent. of 23 per cent., is it not?

Mr. Pike: No.

President: Would you mind, Mr. Abady, I am sure it is better to allow Mr. Pike to complete his statement, and you can criticise it afterwards.

Mr. Abady: If you please, Sir.

Mr. Pike: Between 11 miles and 20 miles, 83 per cent. of the total traffic passing is in Classes 1 to 10; and 17 per cent. in Classes 11 to 20. Over 20 miles, 78 per cent. is in Classes 1 to 10, and 22 per cent. is in Classes 11 to 20. If, on the other hand, you take the top table, it shows a percentage of total tonnage falling into different classes; and, taking Classes 1 to 10, that is, the Classes which correspond to the present Classes A, B, and C, 41 per cent. is for distances less than 20 miles, and 59 per cent. is for distances over 20 miles. Whereas, if you take Classes 11 to 20, 23 per cent. is for distances up to 20 miles, and 77 per cent. is for distances over 20 miles. I think those figures show that although on these particular lines to which we have been referring where the 10-mile break does occur, which is limited to Classes A, B, and C, it does cover a very large proportion of the traffic passing for distances up to 12 miles, and even up to 20 miles. I might say that these figures are exclusive of coal, because we are not dealing with coal at present.

Mr. Jepson: It is the total tonnage for that week excluding coal?

Mr. Pike: Yes.

Mr. Jepson: The coal class—coal, coke, and patent fuel.

Mr. Pike: Yes, that is so. Now, as to the cost of working—

Mr. Jepson: One moment, just to get this statement clearly in mind. Does the tonnage spoken of in the bottom table refer to the same figures that are in the top table exactly?

Mr. Pike: Yes.

Mr. Jepson: That is, you are dealing with the full 100 per cent. of the same tonnage in both tables?

Mr. Pike: That is so; only it is divided in two different ways—the first one showing the percentage of traffic in these various groups and classes which passes 10, 11 to 20, and over 20 miles; and the second showing the percentage for each mileage gradation that falls either under or over 10 miles.

Mr. Jepson: What is the object of making the split between 1 to 6 and 1 to 10?

Mr. Pike: I only had that done so that, if any question were asked about Classes A and B as against C, it is there on the statement.

Mr. Jepson: A and B less coal?

Mr. Pike: Yes. 1 to 6, of course, covers A and B less coal.

Mr. Jepson: But the second column, of course, includes the first—where you speak of 1 to 10 it includes what has already been put in 1 to 6?

Mr. Pike: Certainly.

Mr. Locket: With regard to Classes 1 to 10, a considerable number of items in those classes refer directly or indirectly to the iron and steel people, do not they?

Mr. Pike: Yes, a considerable number.

Mr. Locket: A considerable proportion of them?

Mr. Pike: Yes.

Mr. Locket: We have the iron and steel people coming here separately represented asking us to retain a 20 miles gradation—an unbroken gradation of 20 miles.

Mr. Pike: Yes, I am quite aware of that.

Mr. Locket: Your argument is rather in favour of the traders who are interested in those Classes of 1 to 10—you are arguing from their point of view, are you not?

Mr. Pike: No. I am trying in the course of what I have to say to show that it will not be to their interest.

Mr. Locket: I suppose they are the best judges of that, are they not?

Mr. Pike: I am not sure that they are always.

Mr. Locket: They think they are at any rate.

Mr. Pike: Anyhow, I would like to say that we realise that the only way in which we can give a cheap and efficient service is by attracting to the railways as much traffic as we can and working that traffic as efficiently and as economically as we can. If we are to do that, our sole object—I hope our sole and proper object—is to get to the railways as much traffic as we can; and my argument rather is that if these short-distance traffics do not bear their proper quota of the over-all charges it will mean that the traffic which is passing the longer distances, and principally in the higher classes—because if you take Classes 14 to 20 which cover Classes 2 to 5 which Mr. Abady was referring yesterday—80 per cent. of that traffic passes for distances over 20 miles. Now, that is the traffic which is particularly susceptible either to road competition or to sea competition; and if the shorter distances do not bear their proper quota the longer distance charges must be put up above what they really ought to bear, in order to make up the standard revenue. The inevitable result would be that much of the traffic would be lost to other means of conveyance; it would not pass by railway; the railway revenue would be reduced; and then, under the operation of Section 59 of the Act, the charges on the traffic which remained on the railways would have to go up higher still. But it does seem to us that, as a matter of justice to us and to the users of the railways, it is right that the charges should be more equally distributed so that we may retain this longer-distance, higher-grade traffic to the rails, and thereby let it pay its quota towards the general expenses and so keep down the general level of rates. In a few words, that really sums up the burden of my argument.

Mr. Locket: I am not quite certain whether I clearly follow you; because it seems to me that it does not much matter—provided the railway companies get their revenue and the traders pay their due proportion on the distances between 1 and 20 miles—whether it is divided into two sections of 1 to 10 and 11 to 20, or whether it remains in one section, provided that the actual amount is the same. I do not now see how it can affect the long distance traffic unless it is proposed to fix the standard charge for the first 20-mile break at a figure which will not produce the same amount of money as would be produced if it were divided into two sections of

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Mr. JOHN PIKE.

[Continued.]

1 to 10 and 11 to 20. I do not know whether I have made myself clear, but I am anxious to get into my own mind what is in your mind.

Mr. Pike: We are rather getting on to the quantum stage, are we not?

Mr. Locket: It is very closely allied to quantum, of course.

Mr. Pike: Yes; and it is, therefore, a little difficult to answer. But I think that if we got a little more on the distances up to 10 miles we could get back to the normal at something like 25 miles—say somewhere between 20 and 30 miles—and then for distances beyond 30 miles, and particularly beyond 50 miles—

Mr. Locket: Is not that what is in the minds of the traders—they are afraid that those who send their traffic for distances under 20 miles will have to pay more in order to enable you to retain the traffic for longer distances? They are afraid of the burden being shifted from other people on to their own shoulders.

Mr. Pike: I do not think the burden would be a very heavy one. But, apart from that, I suggest rather strongly that it is to their interests that as much traffic as possible should flow over the railways; because the greater the traffic the lower the general level of rates.

Mr. Locket: I think I can answer for it that that is very much in their minds. I know it has been discussed by them in the past.

Mr. Pike: Of course, the traffic which is passing to-day in the higher classes for distances under 20 miles is negligible. As I said just now, it is rather less than 10 per cent. Therefore, anything which is going to put higher charges on that traffic on the longer distances is inevitably going to force it on to the roads, because it is in respect of those traffics that the competition is so keen; they are the best paying traffics for road competition.

Mr. Jepson: I suppose you could put it shortly in this way, that it would be better for the traders who are now subject to a 20 miles gradation to pay a little more for the first 10 miles of that to enable the companies to keep that traffic on the rails, rather than that they should be forced into the hands of the road carriers, in which case they would have to pay considerably more than the slight increase necessitated by the splitting up of the 20 miles gradation?

Mr. Pike: That is the argument, and I am obliged to you for putting it so clearly.

Mr. Locket: By putting up the earlier stages you were tending to drive the short distance traffic off the railways, if I understood their argument correctly.

Mr. Pike: I doubt it, judging from experience. Our experience is that it is the higher grade traffic, and the higher grade traffic solely, which is being taken away from us.

Mr. Jepson: We heard yesterday, I think it was from the Manchester Chamber of Commerce, that the railway companies are doing their best to get back the Liverpool and Manchester traffic, the Manchester district traffic, and the Yorkshire traffic. Speaking generally, that is 30 to 4 miles, is it not?

Mr. Pike: Yes. And I do say—I would like to emphasise this—that if the traffic which passes for distances under 10 miles is to bear less than its quota, it is the distances like Liverpool to Manchester, round about 35 miles that are going to suffer.

Mr. Jepson: Is that one of the districts where the competition is found to be the keenest because of the good loading of the stuff and the good class of the traffic—cotton, cloth, and so on?

Mr. Pike: Yes; and return loads.

Mr. Jepson: Yes. And that is the traffic which loads itself to road competition more than, say, the traffic in Classes A and B, and so on?

Mr. Pike: Yes, that is so. The motor competition is particularly emphasised in that district because of the good loads they get, and the fact that they can go from place to place and get loading all the way, both on the outward and on the return journeys.

Mr. Jepson: I suppose you have not got any information as to why, when the present Rates and Charges Orders were fixed, the breaks on the Scottish Railways and on the North-Eastern Railway were fixed at 10 miles—the first 10 miles, the second 10 miles?

Mr. Pike: I am afraid that is not a point which occurred to me, or I might have looked it up.

Mr. Jepson: One would like to know. Of course one can only assume that it was because of the reasons which have been advanced here and before the Rates Advisory Committee that the shorter-distance was the more expensive to work, and by adopting two 10 miles instead of one 20—the cost, as far as it could be ascertained, was approximately considered to be more equitably distributed over the classes and the mileages by the adoption of the first 10 miles, the second 10 miles, instead of the first 20 miles.

Mr. Pike: That is quite right.

Mr. Jepson: And so far as those figures which you put in go—I know the Opponents do not accept them—they seem to support that view?

Mr. Pike: Yes; I was going to come to that in a moment. There is a gentleman here from the North-Eastern Company who knows very much more about that portion of the matter than I do, and he tells me that the traders asked for it in connection with the 1891-1892 Provisional Orders—they asked for that division.

Mr. Jepson: Knowing they would have to pay more at a higher rate per ton per mile than they would if it were spread over the 20?

Mr. Pike: Yes; but they got an advantage for the second 10 miles.

Mr. Barnard: I would like to ask Mr. Pike a question on this point if I may. We do not agree with Mr. Pike's idea of what happened on the North-Eastern Coast so far as the traders asking for two 10's is concerned. The point is that the first proposal was 20, and the traders got the second knocked down a little because the initial charge was too high.

Mr. Pike: I think that is the same thing.

Mr. Barnard: No, just the reverse.

Mr. Pike: Indeed it is not.

Mr. Jepson: Have you anything in support of that, Mr. Barnard, or do you know it as a fact?

Mr. Barnard: It is in the evidence, and I had prepared a statement which brought that out.

Mr. Jepson: Perhaps you can answer me by saying "yes" or "no." There was a proposal put forward by the North-Eastern, for instance, for so much per ton per mile for the first 20 miles?

Mr. Barnard: Yes.

Mr. Jepson: The traders objected and said it was too high. Then the North-Eastern came to the Committee and said, "Very well, we will leave the first 10 miles at the figure we propose, but we will give you something less for the second 10 miles."

Mr. Barnard: Yes.

Mr. Jepson: Or did they say: "We will put something more on the first 10 miles and give you a reduction on the second 10 miles?" Which happened?

Mr. Barnard: I understand that the former happened, according to the evidence.

Mr. Clements: Perhaps Mr. Pike will give the reference to the proceedings?

Mr. Pike: It is a thing I have not looked up, and I cannot. But anyhow, whichever happened, I do suggest it is exactly the same as that which we are proposing just now. It is all very fine to say we are putting up the charge for the first 10 miles and lowering it for the second; but owing to the method in which the new Act will work, it comes to the same thing to the trader. It is just a question of getting the revenue the one way or the other.

Mr. Jepson: It is not quite; because, if what Mr. Barnard says is correct, the traders then got a reduction for the second 10 miles without being penalised on the first 10 miles. Now what you are proposing does mean, as was admitted yesterday, supposing you were budgeting for the same amount,

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Mr. JOHN PIKE.

[Continued.]

the people who were sending their traffic for the first 10 miles would have to pay more than the people who are sending for the second 10 miles.

Mr. Pike: They would have to pay slightly more.

Mr. Jepson: Then it is not quite the same thing.

Mr. Pike: But it is still dividing the total sum over it all. Of course what was given in 1891-1892 were maximum charging powers, and what we are legislating for now are standard rates.

Mr. Jepson: Yes. Of course a large proportion of the traffic would still go on exceptional rates?

Mr. Pike: Undoubtedly. While we are on that matter I would also like to call attention to the fact that the people who are sending traffic in Classes 1 to 10, and even 1 to 6, are very interested in the charge for distances over 20 miles; because more than half the traffic goes for distances over 20 miles—50 per cent. in Classes 1 to 10; and, if Classes 1 to 6 are separated, it is 53 per cent. there. I wanted to say a word about the costs, and on that I rely on the statement which was put in yesterday and which shows that, for these short distances which were taken out, the efficiency of the engine as a revenue-earning machine was, in the case of short-distance instances, only half the normal, and it was only one-fifth of what it was on the long distances that we took out. That, of course, means, applying it in the reverse direction, that the cost of working, so far as engine power is concerned, was twice as much as the normal, and five times as much as the long distance. Engine costs have increased in a greater ratio than the general increase in railway expenditure. That is due to a variety of causes, and I think I ought to mention those. The principal causes are higher wages, including additional payments for overtime and for Sunday duty; a reduction in hours; cost of locomotive coal; and general cost of maintenance and repairs. All those things are at or over 100 per cent. The biggest item is the wages cost; because there, especially with engine-men, it has been necessary to revise our time-tables owing to the adoption of an 8-hour working day. Trains have either to be run a shorter distance, or engines have had to be remanned, or overtime has had to be paid—which the men do not like, and which we keep down as much as possible—in order to get the same work done; and that, added to the higher rate of wages, has led to a very big expenditure. Coal is still nearly 100 per cent. more than it was in 1913; and wages and salaries, as I think I said just now, are at least 125 per cent. higher than in 1913. So that all those accumulated costs have affected not only locomotive costs but also all other working costs on the railway where labour forms any considerable part of the expenditure. Then I have also pointed out that the costs at either end of the journey—necessary costs which have to be entailed in picking up and detaching the traffic—and other consequential charges, are the same whether it is a short or long haul; and those costs, particularly the cost of clerks (some of which, at any rate, goes into conveyance) have gone up to a considerable extent. All these factors make the cost higher for short hauls, and relatively higher than for other traffic. I hope I have made that plain in what I have been saying.

The Rates Advisory Committee recognised that in the interim decreases which were adopted in 1920, by imposing a flat rate. That was deliberately imposed with the idea of equating the burden of extra cost between short-haul and long-haul traffic. Notwithstanding that, that kept the rates for the long-distance traffic at a lower level than they would otherwise probably have been. But we had the strongest representations from traders whose business is concerned with the lower grade traffic that the heavy increase was killing the long-distance traffic because it did not enable them to compete effectively, as they had in the pre-war years, with their shorter distance competitors. They made out such a good case that last year we adopted, as a temporary expedient, maximum increases for Classes

B and C; and as from yesterday the maximum increase which applied to Class C has also been applied, for similar reasons, to triplates in 2-ton lots, which were in Class 1. Now, the provisional proposals that we have put in uphold that principle. We are not asking for a flat rate, but we are asking that we may have something in exchange for that flat rate, because all the considerations which made that necessary in 1920 are still there, though possibly not to the same extent. We contend that that is a sound and practical proposal and one which in our experience—and in this I think we must be allowed to say that we do think our experience over the whole of the traffic which the railways carry must be given some weight—is the best we can suggest for getting to the rails the maximum amount of traffic we can handle and thereby keeping down the general level of rates. It has been said that the traders are unanimous in asking for one 20-mile break; but I am afraid I must take the liberty of doubting that a little. Our proposals, of course, when they were published coincided with the existing maxima for the districts where the 10 miles division applied, and those traders naturally therefore did not lodge objections.

Mr. Abady: Will you explain that, because it does not appear to be justified by the facts.

Mr. Pike: Certainly they would not lodge objections.

Mr. Abady: You said the proposals coincided with the districts where there were two 10-mile breaks.

Mr. Jepson: I think Mr. Pike said coincided with the practice in the districts.

Mr. Pike: Yes, it coincided with the practice in the districts where the two 10 miles operated. I think it only amounted to this, when the railway companies' proposals came out showing two breaks of 10 miles, in Scotland and on the North Eastern where they had it already they did not want to oppose. That is why we raised the question yesterday, supposing this tribunal were satisfied that a case had been made out for maintaining the 20-mile break, what about the people in Scotland and on the North Eastern who had not had an opportunity of considering what their position was? Then we got the information from the Co-ordinating Committee that, I think it was General Long, had been informed and not raised any objection.

Mr. Abady: I am sorry for breaking in on Mr. Pike, but—

President: Perhaps you will note at the time of anything you want to raise and put it subsequently; I think that would be better.

Mr. Abady: If you please, Sir.

Mr. Pike: The only point I want to make on that is this, that the people who were content with two 10-mile breaks would naturally not have lodged any objection; and I did rather gather yesterday that the only people who were called to the meeting at which these proposals were considered, were the objectors; naturally, therefore, the people who were content with the two 10-mile breaks would not be there.

Mr. Locket: That is why I asked a question; because it would not have been right if only the objectors had been consulted; but General Long told us that all those who constituted the various Federations, and, I suppose, the various Chambers of Commerce represented in the Associated Chambers of Commerce, were there, or at any rate, they had it brought to their notice; and no objection was raised by them to the amendments proposed by the Co-ordinating Committee.

Mr. Pike: If that is so, I have no more to say, but I am afraid I did not appreciate that, and I rather doubt if that is so.

Mr. Locket: I think General Long's statement was very clear on the subject.

Mr. Jepson: That was the impression left on my mind.

Mr. Locket: If it were only arranged by a Committee of the Objectors it would not be to the prejudice of those who were not present.

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MR. JOHN PIKE.

[Continued.]

Mr. Jepson: If there is any doubt about it, the Tribunal will ask another question on it if you want to be quite satisfied.

Mr. Pike: I do not feel satisfied.

Mr. Locket: I myself was very concerned about that point.

President: As it was your point, Mr. Locket, perhaps you will follow it up.

Mr. Locket: Do I correctly interpret your answer of yesterday, General Long?

General Long: Yes, quite correctly.

Mr. Locket: That the members of the various Federations represented on the Co-ordinating Committee were themselves individually consulted—at any rate, the matter was referred to them?

General Long: When the Co-ordinating Committee arrived at the decision to recommend the 20 miles, that went out with the rest of the decisions on other matters to everyone again; it was circulated throughout the country.

Mr. Locket: Not merely to the large Federations but also to the constituent members of those Federations.

General Long: Yes; the constituent members all heard what was the recommendation, and there was no protest made at all as regards that, except that some one or two came up further to discuss the matter; and then finally everyone agreed that 20 miles was that which would best suit the traders.

Mr. Locket: Take your own body, the Federation of British Industries. It went out to the very large number of firms who are affiliated to that Federation?

General Long: Yes, it was circulated.

Mr. Locket: And many of those firms are domiciled on the North Eastern and Scottish Railways?

General Long: I think the Secretary, Mr. Drage, had better answer for that himself.

Mr. Locket: Was that the case, Mr. Drage?

Mr. Drage: I appreciate the difficulty in which you are, and I should like to explain how these matters are done. When the objections are first lodged to the railway companies' proposals all these objections come before the Co-ordinating Committee, which, on its new and extended basis, comprises some 50 or 60 Federations and bodies up and down the country. Objections to the proposals were then invited, and the objections were lodged. The Co-ordinating Committee appoints a sub-committee to go through all the objections and to see how far agreement can be reached. Having reached a conclusion as to which of the objections is not only the majority but the soundest objection, they then send that out to all the Objectors and say they think that is the one for which the traders as a whole should press. On that basis, meetings are held with the Companies and matters discussed. Then whatever is arrived at by agreement with the Companies is sent out again to all the Objectors, and they are informed that if they do not object this particular proposal will be brought before the Rates Tribunal as no agreement has been reached, and, of course, they will be heard on a certain day; and if they wish to come and put in their point of view they are at liberty to do so. It seems to me that the difficulty in which you are in this matter is this: You may say that practically all the large trade organisations of the kingdom are on the Co-ordinating Committee. Most of those bodies have Transport Committees of their own, which Committees are authorised to transact transport business on their behalf. But having regard to the comparatively short time in which many of these inquiries have to be dealt with, I would not like to say that in every case where a decision has to be lodged the representatives of the Transport Committee of every body refer the question to every one of their members. Take, for example, the case of my own body, the Federation of British Industries. It would be physically impossible for us, whenever a decision had to be reached by our Transport Committee or by our representatives on the Co-ordinating Committee, to put the point to every one

of their thousand members, a tremendous number of whom would take no interest in it. It would not be possible. The point I want to make, and it is the case of my Federation, and I think the case of practically all the others, is that they have Committees who are authorised to act for them. The Committees, of course, are representative Committees. On this particular point you are on I would like to say this perfectly frankly: of course, it is clear that when the proposal is not to change a certain group of people from the position they are in to-day they do not object, but I think the suggestion is they would object very strongly—take, for example, Scotland or the North East coast—if the case which has been put up by the Traders' Co-ordinating Committee succeeded, and they had no opportunity of being heard. In this case I have reason to believe that that is not so. It is quite clear that the various bodies who have had to consider this, and have had to consider it before it came up on the Co-ordinating Committee, had to deal with their members in their districts, and, in dealing with it at the Co-ordinating Committee, every body had the point in front of them, and the question was more than once put: Is such and such a body perfectly satisfied that they will go forward with this proposal? and they have consulted their members in those districts as to whether they considered it might go forward as proposed, and the answer was Yes. But the difficulty has arisen in consultation; more than that I cannot say. I hope you appreciate that it is not possible, or, at any rate, it is not practicable whenever a decision has to be reached by a representative Committee that every member of these bodies, and every individual firm, can be circulated and asked whether they agree with the decision reached by their representative Committee. I just want to make that clear.

Mr. Locket: Then there might be some ground for Mr. Pike's suggestion that the only people who have considered this were the people who lodged the original objections.

Mr. Drage: I have tried to deal with that point: I am afraid I was not quite clear. I think Mr. Pike's point quite frankly is that the people in Scotland, or on the North East coast, might object to this; I think that is the point we are all thinking about.

Mr. Locket: That is what it amounts to.

Mr. Drage: That is what it amounts to, and that very difficulty I know has been considered at great length by one of the particular bodies concerned; I happen to know that. I may say that a number of those gentlemen have been in Court during this week, and they know exactly what is going on. I shall be corrected from behind if I am wrong, but I have always understood that they have taken this view: they have said, "Of course, you cannot expect us as firm A B or C living on the North East coast to be enthusiastic about the change but if it is put to us as part of these larger bodies we are quite prepared to agree with the common consent about this, and we do not oppose it." I make that statement quite definitely, and I hope I shall be corrected if any body disagrees; that is in accordance with my knowledge of the case.

Mr. Locket: Can you give us any information as to what the procedure of the Chambers of Commerce is? Has it been brought to the local Chambers of Commerce in the districts affected?

Mr. Drage: Might I ask Mr. Bradley, who is one of the members of the Chambers of Commerce on the Co-ordinating Committee, to deal with that question?

Mr. Bradley: I represent the Chambers of Commerce along with two colleagues on the Co-ordinating Committee, and the position is this, that the Chambers of Commerce advised every Chamber of Commerce in England, and obtained certain objections; as a result of those, a meeting of the Transport Committee of the Associated Chambers of Commerce was held on Tuesday, the 6th February, and I regret to find that the Scottish representative

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was absent. The Minutes read as follows: "It was reported to the Committee that the co-ordinated proposals of the traders now being put forward by the Co-ordinating Committee were for the first 20 miles, next 30 miles, and next 50 miles, and the remainder of the distance." Those Minutes are circulated to the whole of the Chambers of Commerce, and a meeting was held yesterday to confirm them. I have not heard anything, as to their not being confirmed as I was not present at the meeting; I was here; but, of course, I can obtain any information necessary and tell you.

Mr. Locket: Were there any members from Chambers of Commerce on the North Eastern system?

Mr. Bradley: Mr. Winstone of Hull, who was in the Court yesterday, was the representative.

Mr. Locket: But nobody from the Middlesbrough district?

Mr. Bradley: No, nobody from the Middlesbrough district.

Mr. Clements: I do not know whether this is the right place, but there are two gentlemen here who are able to speak to you about Scotland, and the North East district particularly, with regard to individual firms.

Mr. Locket: We are very anxious indeed not to prejudice the interests of any body whose views have not been represented either directly or indirectly to us.

Mr. Clements: I quite understand that.

Mr. Locket: The point that Mr. Pike raised just now was very acutely in my mind yesterday and caused me to put that question, because it did strike me that it was possible that only the people who had objected to the railway companies' proposal were finally consulted, and that those who were already in enjoyment of these provisions, if there is any enjoyment, had had no opportunity of entering a protest against the suggestions that you have put forward.

Mr. Clements: I think these gentlemen will satisfy you that it is not so.

Mr. Thomas Petrie: I represent the Scottish Iron and Steel Trades. There are 24 firms in Scotland in those trades, and every one of the firms was advised of the position, and have been all along since the proposals were first issued. The Transport Committee, representative of all firms, decided several times definitely to oppose the railway companies' original proposals for two breaks of 10 in the first 20, and there has never been one dissenting firm in the 24.

Mr. Jepson: Did you send in an objection?

Mr. Petrie: Our objection went through the National Federation of Iron and Steel Manufacturers.

Mr. Jepson: Although you were in possession of the break of 20 into two tens, you wanted 20?

Mr. Petrie: Yes.

Mr. Jepson: What was the object of that?

Mr. Petrie: I think the reason is not far to seek, as explained by Mr. Pike. It was the intention on the part of the railway companies to absorb the existing flat rates into the new standard rates; it is an intention to increase the position relatively between the first and the second 10.

Mr. Jepson: You were afraid that the first 10 would be put up abnormally high, and you thought your salvation lay in having a 20 miles break instead of two tens?

Mr. Petrie: That is so.

Mr. William Oldham: I can speak for the Maunson House Association on railway and canal traffic. I represent the Maunson House Association, and have been on the Traders' Co-ordinating Committee. We have had practically the same practice as the Chambers of Commerce, and invited their suggestions for proposals and objections. Those that came forward were taken with the consent of the Co-ordinating Committee and co-ordinated there, and we then advised all our members again. Since then we have had no dissent.

Mr. Barnard: Speaking on behalf of the National Federation of Iron and Steel Manufacturers the position is this: When we first came to a decision it was not quite unanimous, and afterwards it was agreed that the decision for the first 20 should go forward. Since then that has been published in a report of proceedings which we circulate to every member, and that covers 25 per cent. of the total traffic by the railway companies in goods and minerals including coal, and although there was this small difference of opinion at the time there has been no dissent recorded and no communication received from any of our members that they do not wish the 20, so that those having the 10 at present have had ample opportunity either of recording their dissent here or through our Federation; that covers the North-East Coast, and, as Mr. Petrie said, Scotland.

Mr. Pike: Well, Sir, I rather think that what has been said confirms the idea I had that the decision is not quite so unanimous as we were led to believe yesterday, and I was led to doubt it because of what I had gathered from the individual traders who have spoken to me on the matter. I would like again to remind you of the point I made before as to the very strong representations that were made to us by traders, that owing to the high level of the long distance rates they were being shut out from markets because they could not compete with local producers, or they could not compete with imported goods, or something of that sort. Although we have tried to meet that in a temporary manner, I am afraid that unless we can have something of that sort it is traffic that may be permanently lost. I would also again like to refer to the Report of the Rates Advisory Committee—the big report. That was, of course, a very admirable and a very well considered report, and it was made after hearing evidence from all sorts of people and all sorts of trades, and every aspect of the question was brought before them. They there recommended that the breaks should be two tens instead of one 20. We have been acting on the supposition that that would not be upset, and it was because we thought we should undoubtedly get that that we brought the minimum distance down to 6 miles; otherwise I feel pretty sure we should have asked for more. I think I cannot put this too high, that the whole of the structure that we have been trying to build up for the future rates of this country has been based on the same assumption, and I am afraid if it is going to be upset now it will necessitate a very serious reconsideration on our part, and possibly we may have to re-cast the whole thing.

Mr. Jepson: Before you sit down, Mr. Pike, are you going to deal with the suggestion that was made yesterday—I think it was just thrown out by Mr. Abady—that the reason why the Rates Advisory Committee came to the point of recommending that the break should be at the first 10 miles was really because the evidence was given by a North Eastern gentleman, Mr. Wedgwood, and by Sir Alexander Butterworth, also of the North Eastern, who were already in possession of a break at the first 10 miles. I might tell you my own impression is this: it is quite true that the bulk of the evidence was given by Sir Alexander Butterworth as the General Manager of the North Eastern and by Mr. Wedgwood, who was then not only Goods Manager of the North Eastern, but he was Chairman, I think, of the Goods Managers' Conference at the Clearing House, and was therefore able to speak on behalf of all companies. He put some very striking figures before us as to the cost of working short distance traffic, especially the cost of wagons on short distance traffic. I know, of course, he was referring then particularly to the North Eastern case. I did not know whether you were going to deal with that point.

Mr. Pike: I do not see how I can deal with it. Mr. Abady suggested that that is what influenced the minds of the Committee—well, I am afraid I cannot say. Probably you are in a better position than either of us to say. Of course, I do not know what was in the minds of the Committee.

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[Continued.]

Mr. Jepson: But what other evidence was there? I do not know if you have on your notes what other evidence there was before the Rates Advisory Committee in favour of the adoption of two initial distances of 10 miles instead of one of 20 miles.

Mr. Pike: Mr. Wedgwood, of course, was speaking on behalf of the Associated Railway Companies, and he had a Committee to advise him what he should say. I think it must be taken that what he was saying was not said on behalf of the North Eastern; it was said on behalf of all the railways of the country.

Mr. Abady: I do not propose, and even if you would allow me, I do not think it would be fair to the railway companies, to reply, because, of course, I have no right of reply. I do not propose to deal with Mr. Pike's table which was put in at the eleventh hour. It is a table for one week ending the 27th March, 1920. I think it speaks for itself, and if I may say so, with respect, it does not say much. The only point, since Mr. Pike has rather relied on the maintenance of the existing conditions on the North Eastern part, that I would like to emphasise is that the proposal is not one which does maintain the existing conditions, because at present you have two scales, the first 20, the next 30, the next 50, and the remainder of the distance. The A, B, C scales which apply on some of the lines only for A, B, C traffic, are the first 10, the next 10, the next 15, and then the remainder of the distance; whereas the proposal of the railway company is what I may term a hybrid between the two. So that if it were put forward on the ground of keeping for convenience sake what we have at present, it does not do that in any respect. I just want to point that out, because it might be useful.

On the question of the recommendation of the Rates Advisory Committee, when Mr. Jepson put the question to me as to the reason, I was not intending to answer as an advocate at all.

President: You were *amicus curiæ*.

Mr. Abady: That is right. Mr. Jepson referred to the fact that I was here, but when I was addressing myself to the question of cost as an advocate what I did do was to draw attention to the question put by the Chairman to Mr. Wedgwood on the 1st December, No. 13,721, in which it was suggested that no figures had been put to justify the increase in charges for short distances, and no doubt you will find that on the notes.

Mr. Locket: Can you tell us, Mr. Pike, when we may expect to have the proposed mileage gradations in respect of coal and coke before us?

Mr. Pike: I may say that what we shall propose for coal and coke is the same as here.

Mr. Locket: The same as you have proposed in this?

Mr. Pike: Yes. I was rather hopeful that it might have been discussed during this week.

Mr. Locket: We shall be considering that shortly then. We shall have it before us shortly either as an agreed scale or as a proposal.

Mr. Pike: Yes, I think so.

Mr. Jepson: May I follow that up with another question: have you been in communication with the Mining Association or any other bodies representing the coal trade generally to let them know what your propositions are?

Mr. Pike: Yes.

Mr. Jepson: And they have agreed?

Mr. Abady: No.

Mr. Pike: No, they have not agreed. The meetings we have so far had are more or less private, and I really do not feel that I ought to allude to anything that took place.

Mr. Jepson: No, but the position of the Tribunal. I think, is this: of course, the coal people, having regard to the note put at the foot of these proposals, have not dealt with the matter so far as we are concerned, and when we get the railway companies' proposals, I suppose as a matter of form they would go through the same procedure as these proposals; that is, advertised, objections invited, and a day fixed for hearing.

Mr. Pike: I think that is inevitable. I may say that the reason they were not put in at this particular time was that at that time we were meeting the Mining Association on several matters, and it was thought better to leave it open, as it was one of the matters that they desired to discuss.

Mr. Locket: You will appreciate the reason for my asking. Of course, I am very anxious that the coal people should not be prejudiced by any decision that we might give in regard to this scale.

Mr. Pike: Oh quite; I do not suppose they would be.

Mr. Marlow Allen: With your permission, Sir, it might be useful if I were to state on behalf of the Monmouthshire and South Wales Coalowners' Association and the Monmouthshire and South Wales Coalowners' Association and the Patent Fuel Manufacturers Association of South Wales that the possibility of the railway companies bringing forward a proposal for two 10 miles gradations on coal, coke and patent fuel, have been very fully considered, and they are unanimous in their desire for the first break of 20, the next 30, and 50 miles. I cannot, of course, speak for the Mining Association, but I can speak definitely for those three Associations.

Mr. Clements: I was going to ask you originally to allow me to put a question or two to Mr. Pike on the statement that has been put in this morning, but it is not necessary now.

President: At another time, if you possibly can, will you make your application when Mr. Pike is dealing with the question, and not afterwards.

Mr. Clements: Yes, Sir, but I thought it was not desirable to interrupt, and that is why I held back.

President: We have gone through the process of examination.

Mr. Clements: Mr. Pike was going to say something about the figures that he was to bring up next Monday.

Mr. Pike: I ought to have said that before perhaps I did promise yesterday to try and get certain figures which Mr. Clements desired, and I thought from my recollection of the statements which we had that it would be possible to get out that information. I was sorry to find last night that it is not practicable to do it. I knew the statement was divided, and I was inclined to think it was divided between goods and minerals, but I find the division is simply between loaded and empty, and that does not help at all; so it is with much regret that I have to say that I shall not be able to furnish the information.

Mr. Clements: In that case I draw the attention of the Committee and also the attention of Mr. Pike to this volume of statistics, which supplies some of the information as regards wagon ton miles, which is not given in the other figures. (Some handed to the President.) You will find there instances of high wagon miles for short distance traffic, and also wagon miles for longer distance traffic.

Mr. Jepson: These statistics which you hand up, Mr. Clements, show the net ton miles under three headings, that is "train engine hour," "shunting hour," and "engine hour." There is no distinction of the different classes of traffic there.

Mr. Clements: No.

Mr. Jepson: It is simply ton miles of whatever traffic.

Mr. Clements: Yes. It seemed to be desirable at all events for what they are worth that the Court should have that reference before them.

Mr. Jepson: Here they are ton miles, but the figures that Mr. Pike put in yesterday were wagon miles per engine hour.

Mr. Clements: Yes.

Mr. Jepson: And he thought he could divide them up between minerals and goods by reference to the analysis that had been made of the brakemen's journals, which were the basis of the statements.

Mr. Clements: Quite.

Mr. Jepson: The next table is the average length of haul. The average length of haul does seem to be split up between general merchandise (1), coal and

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coke (2), and other minerals (3). There you do get a splitting up.

Mr. Clements: Yes.

Mr. Jepson: That information would not be, I think, from my knowledge, derived from the same source as the information with regard to wagon miles per engine hour, which Mr. Pike had taken from the brakemen's journals.

Mr. Clements: Quite possibly, but it seems to me that the figures which were asked for are not obtainable.

Mr. Jepson: No. From my knowledge of the thing I do not think this table really helps you in getting the information which you asked Mr. Pike to get, and which he says he is not able to obtain.

Mr. Clements: I do not think it really carries it any further.

Mr. Jepson: I do not think it is contained in this.

Mr. Clements: No.

Mr. Pike: No, it is not contained in this. I know how these figures are prepared, and they are prepared in quite different ways. It is not possible from the detailed figures that go to make up these aggregate figures to give such information as Mr. Clements was seeking, and if it had to be obtained it would be necessary to start and take some future period, and that in itself would be rather an onerous piece of work.

Mr. Jepson: Just for the information of the Tribunal, am I right in thinking this—I am just calling on my memory from past experience, because I had a good deal to do with the getting of information from brakemen's journals in the past and producing them in the Railway Commissioner's Court on many occasions: my recollection is that the brakeman makes up his journal from the time he takes possession of the train. Take the case we were arguing yesterday, Dudley to Walsall; the brakeman starts with the train Dudley to Walsall; he has so many goods, so many minerals, and so many empties.

(The Committee conferred.)

President: With regard to the provisional proposals of the railway companies for the minimum distances which may be charged for the conveyance of merchandise by merchandise train, the unanimous decision of the Tribunal is that they shall be adopted as proposed.

With regard to the provisional proposals of the railway companies for mileage gradations in respect of the conveyance of merchandise except coal, coke and patent fuel, by merchandise train, the unanimous decision of the Tribunal is that the gradations shall be 20, 30, 50 and for the remainder of the distance. This will be striking out the second line "For the next 10 miles" and inserting "20" in the first line. When we come to this decision we wish it to be without prejudice to the rights of any persons under Section 34, sub-section 2, of the Railways Act, 1921.

Mr. Pike: I do not know how you would like to proceed now. Would it be convenient if we took each of the Schedules, or each of the forms in this book that apply to the goods, and deal with them one by one; shall I explain them?

President: Whichever is the most convenient to you, Mr. Pike.

Mr. Pike: I think probably it would be better if we went on at page 2. There the form is a little different from that in the existing Rates and Charges Order, but it does conform to existing practice, and it is agreed with the traders. It will be noticed that we have made this rather important alteration, that instead of charging the minimum of 1 ton for each carriage we are proposing that where more than one vehicle is put on one truck it shall be a minimum of a ton for the truck, and that where larger trucks are used there shall be an additional charge; that is in accordance with existing practice, and is agreed with the traders; there is no objection.

Mr. Pike: So many goods, so many minerals and so many coal and coke and the empties classified in the same way.

Mr. Jepson: As he goes on he marks in his journal "3 goods 2 minerals put off," and "2 goods 3 minerals picked up," and so on, and then at the end when he gets to Walsall he has a statement of what he has done. Is that all the information there is? There is no information on the brakeman's journal as to where the wagon originally came from, or where it is going.

Mr. Pike: None at all.

Mr. Jepson: There is no information on the brakeman's journal as regards the contents of the wagon, except that you have a goods wagon, a mineral wagon, or a coal and coke wagon.

Mr. Pike: No, none at all; there is no more information at all.

Mr. Jepson: Or any weight or mileage, or anything of that sort? That would be got out afterwards if anybody wanted it.

Mr. Pike: There is a weight put on, but it is an average weight.

Mr. Jepson: Oh yes; that is for the weight of the train.

Mr. Pike: Yes, approximately.

Mr. Abady: Is not there the number of the wagon?

Mr. Jepson: No.

Mr. Abady: The number of the wagon is identified in another document with the contents.

Mr. Pike: No, it does not put the number of the wagons.

Mr. Clements: I only suggest on that, that Mr. Pike perhaps might consider whether he could not prepare some figures on the lines which were suggested in that memorandum for production before the quantum stage is reached. What I am driving at is that it is really desirable that, if possible, the objectors should have any information of that sort which is to be brought forward in time for them to digest it before attending the Inquiry.

President: Then we pass that Schedule on page 2.

Mr. Pike: The next one is on page 7, the intervening ones being all passenger. There the proposal is very much on the same lines as the existing Rates and Charges Order except that in some cases the breaks are a little bigger. You see it goes 10s., 20s., 30s., 50s., 70s., 100s.; whereas in the Rates and Charges Order they went up evenly 10s. It is the companies' intention in submitting their charges to make a difference between each of those rates of 10s. I do not think there is any objection to that.

President: Very well. That is at the top of page 7, "Fourth Schedule, Part V;" that we pass.

Mr. Pike: The next one is "Heavy articles." There you will see we have, after discussion with the traders, and by agreement with them, altered the form. We originally suggested a flat per ton per mile rate irrespective of distance, whereas now it is split up into mileage gradations and will be on a descending scale.

President: Will that necessitate the alteration of the 10-10 here?

Mr. Abady: On behalf of the Co-ordinating Committee, may I say the agreement came to was this: that this scale as printed on page 7 was agreed to without prejudice to the mileage gradations applicable to other parts of the Schedule.

President: Very well; then we pass it as printed in red.

Mr. Abady: That is so; that was the agreement.

Mr. Jepson: You do not want the alteration here to the first 20 miles as distinct from two tens?

Mr. Abady: No.

Mr. Drage: It is quite obvious we could not ask for it. We agreed with the companies that the agreement with regard to heavy articles should be without prejudice to any gradation; we cannot have it both ways.

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Mr. Pike: I think in this case too it will suit them better. I think I ought to say in justice to ourselves that this is a very considerable concession on the existing practice. The existing practice is to charge according to the rate; the more the rate the higher the charge; that means that the higher classified the article is the higher the charge. Now it will be the same charge whatever class the article is in.

Mr. Jepson: This takes the place of the percentage?

Mr. Pike: That is so, yes. Then I do not think there is anything else until we come to page 22. The first one is "Tolls." At the request of the traders we have inserted there a definition of what we mean by a toll.

President: Yes.

Mr. Pike: That is agreed with the Traders' Coordinating Committee; I do not know whether there is any comment.

Mr. Abady: There is an objection here, Sir.

President: For whom?

Mr. Abady: The two Associations whom I represent termed the Association of Private Owners of Railway Rolling Stock, and the Railway Carriage and Wagon Builders and Financiers Parliamentary Association, and also the Mining Association; and both those objections are supported by the Traders' Co-ordinating Committee. The objection is to the words "such reasonable sum as the Company may think fit in each case," and the submission I desire to make is a matter that involves the interpretation of the Statute, and I must direct your attention to Section 30 of the Railways Act and the Fourth Schedule. Section 30 says: "The constituent companies in each group shall jointly, or with the consent of the Rates Tribunal any one or more of such companies may, submit to the Rates Tribunal not later than the thirty-first day of December, 1922, or such later date as the Minister may allow, a schedule of the standard charges proposed to be made by the amalgamated company into which they are to be formed, according to the classification fixed as aforesaid, and shall (except as hereinafter provided) show in that schedule the rates for the conveyance of merchandise, the amounts of terminal charges, and the fares for the conveyance of passengers and their luggage, and every such schedule shall be published in such manner as the Rates Tribunal may direct. (2) The schedule so submitted shall be divided into the parts and be in the form mentioned in the Fourth Schedule to this Act, or into such other parts or in such other similar form as the Rates Tribunal may prescribe." Then, if you turn to the Fourth Schedule you will find: "Division and Form of Schedules of Charges. . . Part VIII, containing the charges in respect of any toll payable by a trader." That is the form unless you order otherwise. I quite agree that you can say that they need not follow that form. So far as I understand these proceedings, these proceedings are under Section 30, but these are the sort of preliminary proposals of the railway company giving the basis of the forms into which they are going to fill their quantum at a later date, and if I am correct in that, and if Section 30 directs them to produce a schedule in the form of the Fourth Schedule, and the form in the Fourth Schedule says: "Part VIII, containing the charges in respect of any toll payable by a trader," I submit that they have not discharged their obligation by simply saying: "Anything we like to charge," which is what their present proposal is.

President: Do not they insert the word "reasonable"?

Mr. Abady: Yes, any reasonable sum. I wanted to deal with that in relation to the present practice. The present practice undoubtedly is that for tolls, at least as I think, the company may charge any reasonable sum.

Mr. Jepson: It is to-day.

Mr. Abady: I think so.

Mr. Clements: The tolls are prescribed by the old special Acts.

Mr. Abady: Yes, but if there is no prescription by the old special Act the charging of a toll would

come, as I think, under the general sweeping up clause "Any other service rendered."

Mr. Jepson: May we not take it generally that it is as Mr. Clements says, that the tolls to be charged by the railway company when the people are working their own traffic over the railway are always prescribed by the special Act? There may be a few cases where it is not so, but generally they are prescribed.

Mr. Clements: And the Rates and Charges Orders do not affect the question.

Mr. Jepson: No, the Rates and Charges Order never intended, and never proposed, to touch the question of tolls at all. Supposing the railway company do not put in those words "such reasonable sum as the company may think fit in each case" and just left it blank, what would you have said?

Mr. Abady: I should have objected to it, and I should have said the appropriate words to put in were something which implied an endeavour to come to an agreement with the trader, and, in the absence of an agreement, such sum as the Rates Tribunal might prescribe; I thought that was the basis of the whole structure of the Act. I wanted to propose to delete the whole of the words and say: "Such sum as may be determined by the Rates Tribunal in the absence of agreement." There are two or three points, Sir. If there is any difficulty in drawing up and submitting a scale, which I suggest Section 30 directs they shall do, the railway companies ought to be under an obligation to endeavour to agree with the interested traders.

Mr. Jepson: Is not the position to-day under the Act just as you wish it to be in so many words? Supposing the railway company under this clause, if it should stand, charged something which the trader held was not reasonable, have not they access to this Tribunal to settle the matter for them?

President: Under 28 (d).

Mr. Abady: They may have, but I thought the whole of their charging powers were going to be subject, in the first instance, to the judgment of the Rates Tribunal.

Mr. Jepson: But do you suggest as a practical thing that it is desirable, or necessary, or called for in any way, that there should be a complete schedule of tolls?

Mr. Abady: No, I do not.

Mr. Jepson: Well, I thought you did.

Mr. Abady: No, I do not.

Mr. Jepson: There are very few cases about the country where the traders are running the traffic with their own engines over the railways of the company, and it is only in those cases where the question of toll would apply.

Mr. Abady: Yes. You see I opened this matter, and I did not take very long, by submitting what I thought I ought to submit—the point whether this proposal of the company is a compliance with the obligation placed upon them by the Act. I then went on to say if, as I imagined you would not say, it is not a reasonable thing that they should submit a schedule, because it is a difficult thing to do, the obligation they ought to be under is to endeavour to agree with interested traders subject to recourse to this Tribunal.

President: There is nothing in that really, Mr. Abady. You know as well as I do that the moment you get the word "reasonable" in a provision of this sort, and there is a provision by which you can ascertain what is reasonable, that answers the question.

Mr. Abady: Well, Sir, you are the Chairman of the Tribunal—

President: But you know it as well as I do.

Mr. Abady: If that is the view that you give to "reasonable" I think what you say answers the point that I am raising, subject to this, that there ought to be a proviso that where existing statutory provisions or agreements provide for any particular rate of toll that should be maintained.

President: No, I do not think so.

Mr. Abady: There are a great many.

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MR. JOHN PINE.

[Continued.]

President: You have your right under Section 34.

Mr. Jepson: Yes, Section 34 covers you there.

Mr. Abady: Of course, there is the prejudice point again.

President: Oh yes, but you know we are never likely to prejudice anybody.

Mr. Abady: Then there is another alternative suggestion which exhausts what I have to say on this matter. Will the Committee be disposed to think it reasonable that a direction should be given? You see the railway companies are being left a free hand as to the word "reasonable," and all that follows from that. Would the Court think it reasonable to give a direction that new rates of tolls shall bear the same relation to standard charges for conveyance as existing rates of toll bear to the statutory minimum conveyance rates?

President: No. We shall deal with each case on its merits as it arises, and see what is to be settled under the circumstances you present.

Mr. Abady: Well, I have made my submission.

Mr. Jepson: I think you are making a suggestion against the interests of your traders, if I may say so.

Mr. Abady: I thought so myself, but that is the point I am instructed to make.

Mr. Locket: I think you are amply protected by Section 28.

Mr. Clements: I have only two short points on this, which I think I ought to mention for the Iron and Steel Federation. They wish to be quite sure that the Tribunal has power to determine the reasonableness in case of dispute. I have in mind the words "such reasonable sum as the company may think fit in each case," which appear in Part IV. of the present Rates and Charges Orders. In a case which was decided under that Part it was held by the Court of Appeal that the determination of a reasonable sum there was one for the ordinary tribunal of the law. I venture myself to hold the opinion that the Railway Commissioners had a concurrent jurisdiction, but however that may be, I think it is very desirable that if Section 28 (d) does not in your view explicitly provide for it, some words should be put in which would establish the fact that it is the Tribunal which has power to determine the reasonableness.

President: That is my construction of the Act as it is now; I cannot go beyond that.

Mr. Clements: The only other point that I take is that the minimum distances which have been settled do not apply to tolls.

Mr. Pike: I agree to that.

Mr. Clements: That is all I have to say.

Mr. Bradley: Under Section 28 this Tribunal has power to determine the variation of any toll payable by a trader. As the Schedule here was originally made by the railway companies it would include any toll whatever, but the red insertion limits it to traffic hauled by an owner's engine. Speaking more particularly on behalf of the Trafford Park Traders' Association, we have there a case where a railway company works its traffic as agents for another railway company, and in that case we are afraid that the jurisdiction of this Court might be ruled out by the words "owner's engine." In the past we have had the benefit of rates up to the junction of our Trafford Park lines, and then had the traffic over the railways without an extra charge, but we had a dispute lasting some two years, during which a toll was placed upon our traffic, owing to the dispute between the owners of the railway and the company performing the service. We traders were saddled with that toll for a considerable period, but I am glad to say the dispute has now been settled. But agreements are always subject to limitation, and therefore we fear that in the future a question may arise again, and we should prefer to come to this Court as traders and settle that question of toll rather than go before the Railway and Canal Commissioners. We think under Section 28 we are entitled to do so, because it is a variation of a toll.

President: Well, if you are satisfied with the position, that is enough.

Mr. Bradley: I am not satisfied with the words "private owner's engine," because that limits you. Our traffic is not hauled by "owner's engine"; it is hauled by a railway company's engine.

President: Is there anything on this you want to say, Mr. Pike?

Mr. Pike: I think the answer to it is this: these provisional proposals are made in respect of the schedules which the amalgamated companies are to deposit. The toll that Mr. Bradley is speaking of is a toll charged by the Trafford Park Company for the use of its line. The Trafford Park Company is not one included in any of the amalgamated companies, and therefore it seems to me it is a point that must be raised when the Trafford Park come for charging powers, and not now.

Mr. Jepson: It strikes me in this way, that sooner or later, of course, Trafford Park in common with the Manchester Ship Canal and other similarly placed companies, will have to come to this Tribunal and submit a proposition, and this Tribunal will ultimately have to agree to apply one of the large companies' schedules, or some other schedule, to the Trafford Park Company. When that is done there cannot be any question of toll arising such as you mention now, because if the traffic is worked by a railway company's engine over the Trafford Park Railway it will become a rate. The Trafford Park Company will not then be able to charge a trader as such a toll for part of a service which is performed over their statutory railway by a railway company; it will become a rate.

Mr. Bradley: If I am assured that we are going to have these rates as part of the railways of Great Britain, and this schedule of charges is to be applicable to the Trafford Park Company, I am quite satisfied, but up to the present our rates, as you are aware, have been only to Bridgewater Junction, or to Trafford Park Junction, and the whole question then came as to the application for rates in the future. If that system were to be continued we should be in difficulties with a thing like this when the toll question came up, but if we are going to have a schedule of charges the same as any other railway company up to our sidings and from our sidings, then I am quite satisfied.

Mr. Jepson: I cannot say what arrangements will be made between the railway companies as regards through rates, but hereafter this Tribunal will be able to deal with a point like that. For the time being, at any rate, you will be satisfied that the Trafford Park Company have got to come to us, and have got to have some schedule of charges applied to them by this Tribunal.

Mr. Bradley: If this Tribunal did not see fit to give the Trafford Park Company through rates, and this stood, I suppose we could not get this amended to include it in the future?

Mr. Jepson: The application of a schedule by this Tribunal to the Trafford Park Company or the Manchester Ship Canal Company has no bearing whatever on through rates; it does not carry automatically through rates. If there is any grievance as regards through rates any trader of Trafford Park who really waited through rates and considered he had not got them, could come to this Tribunal and ask for them, and I think would probably get them.

Mr. Bradley: It is subject to your jurisdiction as to whether they would get these through rates. My point is that if we did not have these through rates, as we have not had them in the past, the whole question of toll might all come up again and we should be ruled out of this Court, because the traffic was not hauled by an owner's engine.

Mr. Jepson: That is a legal matter.

Mr. Pike: Surely the question of through rates is dealt with under Section 47 of the Act?

Mr. Bradley: Quite.

Mr. Pike: That does not exclude the Trafford Park Company, or the Ship Canal Company. So far as the constituent companies go, we certainly mean what we say here as to the definition of a toll, and it would be meaningless if we made it anything else.

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MR. JOHN PIKE.

[Continued.]

Mr. Bradley: I am trying to put our position if we did not get the schedule.

President: Yes, I quite understand that; you are making a strenuous effort. I am afraid we cannot do anything for you now. Our position is, that Part VIII of this proposal stands. I do not think there will be any difficulty in the future, I may say, from what I hear.

Is there anything further, Mr. Pike?

Mr. Pike: There is nothing further as regards tolls, Sir.

The next question is "Rolling Stock"; I think there is something to be said there.

Mr. Abady: On the first table there is nothing. On the second table there is a good deal, and I will have to deal with the points separately and as briefly as I can. You will observe in the third column provision is made for the charges for railway trucks running on their own wheels not exceeding 7 tons each in weight, so much per truck, and then it is a mileage charge. Objection is taken to the insertion of the figure "7" before "tons" on the ground that that applies to the lowest scale, and that while 7 tons was appropriate formerly as representing the tare weight of the wagons in use, alterations have been made under the powers that the railway companies and the Board of Trade possess which have the effect of prohibiting the future manufacture of wagons which would probably be 7 tons or less in tare, and the greater number of the wagons would come over 7 tons and intermediate between 7 tons and 7½ tons. As the next scale, taking the existing scale, is up to 10 tons and represents a difference of about 25 per cent. between the charge for the 7 tons and the 10 tons, it is felt by the owners of private wagons that there is too great a difference, and the proposal which they put before you is that "8" should be substituted for "7." As an alternative, of course, it might occur to you that if you did away with 7 then any wagon, even though it was less than 7, would be paying on 8, and you might think it expedient to put in an intermediate column for 8 tons; the principle is the same. I do not know whether Mr. Pike will agree

that a large number of the 10-ton wagons, that is to say the new standard wagons, will in fact tare over 7 tons. I agree that it is possible to make them so that they will tare about 6 tons 18 cwt.—those are my instructions—but, on the other hand, a large number of them tare over 7 tons.

Mr. Jepson: Is it not the fact that there are hundreds of thousands of private wagons now running on the railway companies' systems whose tare is less than 7 tons?

Mr. Abady: That is so, but the new standard wagon just comes over the 7 tons and has to pay as for 10.

Mr. Jepson: That is your grievance?

Mr. Abady: That is the point.

Mr. Jepson: The grievance is not that there are very little under the 7 tons?

Mr. Abady: No, there is a tremendous lot.

Mr. Jepson: And the life of them will be 20 or 30 years?

Mr. Abady: Yes, and there will be no provision to fit in with what will be the new standard wagon.

President: It is 7 to 10?

Mr. Abady: Yes; it goes to 10 tons, and it is a difference which it is suggested was arranged at a time when a tare of 7 tons would suit the standard wagon.

Mr. Locket: When you speak of a standard wagon, which standard wagon do you mean, the 10-ton, 12-ton, 15-ton or 20-ton wagon?

Mr. Abady: The 12-ton wagon. I understand that the railway companies' regulations do not permit the continued manufacture of 8 and 10-ton wagons, so that there will be an increasing number of the 12-ton wagons which is to be the minimum.

Mr. Jepson: It is the first I have heard of that. Do I understand that the railway companies have withdrawn the specification for the standard 8 and 10 ton wagons now, and nothing must in future be built by private owners of less than 12 tons capacity?

Mr. Abady: So I am instructed, but of course this is a question of fact, and I think Mr. Middleton had better go into the box and give evidence. I have made the point clear to you, I hope; it is quite a simple point.

MR. M. W. MIDDLETON, SWORN.

Examined by Mr. ABADY.

591. You are a director of several wagon companies, and largely interested in private wagons? Yes.

592. Can you give the Court any assistance with respect to this point of the tare of the standard wagon? Firstly, is there anything in the existing regulations of the railway companies which prevents private owners from putting new wagons on the rails which are less than 12 tons capacity?—As I understand it, the present position is this: Under the suggestions which came out at the time of this new Act a standard wagon was to be evolved.

593. *Mr. Jepson:* Do you mean the Railways Act of 1921?—Yes. Various suggestions were made; one of them was that a standard wagon should be evolved—if I may use the word—or you may say, designed. That matter was taken in hand by the railway companies through their engineers, and has been carried practically to a finish. Various negotiations, and most prolonged negotiations, have taken place, and at the present moment I think the only thing that stands between us and this standard wagon, which is to apply not only to the traders but to all the railway companies—we are all to build exactly the same—is the position of a few bolts; mere trifles. I have got the last set of drawings last week, so that you may say the job is finished to practical intents and purposes. During these negotiations a large number of private owners appealed to the railway companies that this standard wagon, which is to carry 12 tons, should not apply in every case. Deputations met the General Managers and the Superintendents of the different departments, but I understand that it was definitely refused that anything but a 12-ton wagon should be constructed in future.

594. *Mr. Locket:* It is anything below 12 tons, I suppose. It does not exclude the larger wagons; you can build 20-ton wagons?—Oh, they would like us to build 20's. We may go up, but we may not go down.

595. The minimum is to be 12?—The minimum is to be 12.

596. *Mr. Abady:* If you will just confine yourself to answering the questions that I put or that the Tribunal put, I think it will be shorter. As regards your own practice in the companies that you are connected with, is the 12-ton capacity the lowest capacity that you are building?—Yes. We are building about 2,500 to 3,000 wagons just now, and they are all 12 tons.

597. Are any of them more?—Yes, some are 14 tons.

598. What was the tare of the old 10-ton wagon?—I should say that the average tare up to about 1905 was about 5 tons, 10 cwt.

599. And what was the tare of the 12-ton wagon when it was first introduced?—About 6 tons 5 cwt. to 6 tons 10 cwt.

600. And have the Board of Trade got power under the Railway Employment (Prevention of Accidents) Act of 1900 to make rules in addition to the regulations which the railway companies can make as to wagons under Section 117 of the Railways Clauses Act, 1845?—Yes.

601. And they have made a rule with respect to requiring two double brakes?—Yes. There was a rule made in 1911 that all wagons must be fitted with two double brakes.

602. And does that increase the weight of the tare of the wagon?—It increases the weight materially.

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[Continued.]

603. Have the railway companies included in their specification a new form of axle box?—Yes.

604. That is what is called an oil axle box, I think, is it not?—Yes.

605. And does that increase the weight?—That increases the weight also. To give you an idea of how the weight is increased there the average weight of a 12-ton brass used to be about 13 lbs. to 14 lbs., and the new brass will be 19 lbs.; and the box is heavier in proportion.

606. Incidentally, has the addition of the oil axle box the effect of increasing the running ease of the truck?—Yes. It reduces the amount of engine power required.

607. You agree, do you not, that it is possible to make the new 12-ton truck so that it comes just under 7 tons tare?—I believe the railway companies who are building some of these 12-ton trucks can get them out just below the 7 tons; but there is a point there that I think affects the matter materially. The general practice of railway companies is to use 2½ in. sheeting, or 2½ in. sheeting it comes out to be in actual practice; the general practice of the trades is to use 3 in. sheeting.

608. *Mr. Locket*: That means the planking on the sides of the wagon?—Yes.

609. *Mr. Abady*: What is the tare of the majority of the 12-ton wagons now?—Well, we are finding they are coming out at just over this 7 tons; that is partly owing to the timber that we have to use. It might be that if we could get thoroughly seasoned and dried

Cross-examined by *Mr. Pike*.

616. Have you seen the new Railway Clearing House specification for a 12-ton wagon?—I have.

617. Is there not a maximum weight provided for?—They wish to provide a maximum weight.

618. What is it?—The point is, I question if we can work to it.

619. But what is the weight?—I cannot say from memory, because there are several qualifications.

620. Is it not 7 tons maximum?—Yes, but you cannot work to it. If the wood comes out at so much more per cubic foot you cannot squeeze the wet out of it.

621. I rather gather from you that that is because you cannot at the moment get suitable wood?—Partly, but I do not know even if we got it dried that we should be able to work under it.

622. Is it not a fact that a large number of 12-ton wagons have been built that have weighed less than 7 tons?—Yes, with 2½ in. sheeting for the railway companies' wagons; you will find they are 2½ in. sheeting.

Mr. Abady: *Mr. Middleton* said so in-chief.

623. *Mr. Pike*: I was not talking about the railway companies' wagons; I was talking about the traders' wagons?—You can get traders' wagons with 2½ in. sheeting also that will come under it.

624. Well, it is possible then to build a 12-ton wagon that does not exceed 7 tons?—It depends on the specification you select. Might I put it to you in this way: there is an option as to which specification you select. If you select the 2½ in. sheeting I think you get under; if you take the 3 in. sheeting, which is the general thing for mineral traffic, and has been the rule for many years, I do not think you can.

625. Not even when you get properly seasoned wood?—I do not think you will. It may be a very fine thing. Let me put it to you in this way: you asked me to tie myself down. I have 10 or 15 wagons standing in a row all built to the same drawing and built by the same man, fitted with exactly the same ironwork, and the tares vary anything from 2 cwt. to 3 cwt.

626. That is the difference in the weight of the wood, I suppose?—I cannot explain it to you; there it is. It is really the density of the different timbers; that is even with the same sizes.

627. There are something like 500,000 private owners' wagons now in existence, are there not?—I think it is 623,000.

American timber in the future we might be able to scrape in below the 7 tons, but there is very little American timber coming into the country. We have to buy English timber, of which the specific gravity is much higher than the American, and not only that, but it is wringing wet, and we cannot dry it.

610. And if you do not scrape in below the 7 tons then you come under the 10 tons?—Yes.

611. And is it your point that there is too great a difference, seeing how near to the 7 tons the tare of the new standard wagon actually is?—Our point really is, that if this scale was made, and 8 and 10 ton wagons were the standard, we think the scale ought to move with the times; if the future is to be 12, and it is to be the minimum wagon, then it ought to go into the minimum column.

612. *Mr. Locket*: In the specifications there used to be a minimum weight for the wagons; is there going to be a minimum weight for the wagons in the new specification you are referring to now?—I understand there will be, but whether we will be able to work to it or not remains to be seen.

613. *Mr. Abady*: Would the weight of a wagon vary with the weather conditions?—Certainly; it would vary hundredweights in the course of a few hours.

614. So that if the specification of the standard weight were just below 7 tons?—It might often be over the 7 tons.

615. It might be over and still comply with the specification?—Yes.

628. I did not think it was so many, but anyhow there are something like 500,000?—I did not take the census.

629. But at any rate there is a very large number?—Certainly.

630. Of 8, 10 and 12 ton wagons that are under 7 tons?—That is so.

631. If, therefore, you get this scale altered and increase in weight, the charge, I suppose, will be increased to correspond?—Why?

632. Why not?—Why should it. The 500,000 does not affect this.

633. Assuming that it is increased proportionately, are you content to pay extra on all those 500,000 wagons?—I should not agree to it being increased; I should dispute that.

634. You suggest that the railway company should haul an additional ton and get nothing more for it?—Well, if I was trying to make that bargain with you, I should not press for a whole ton; I would be content with a portion of the ton, as long as you would give me such a figure as would bring the future minimum wagon into the minimum scale.

635. Anyhow, your suggestion is that whatever extra weight is put on, the railway company should carry it for nothing; that they should have no additional charge?—Not if the railway companies would leave us alone. We have not asked for these new wagons to be designed in this way. They have designed them, and the railway companies are getting an enormous saving at our expense.

636. Thank you. But I suppose you appreciate that is not an answer to my question?—I think it is an answer.

637. *Mr. Locket*: There is no question of the weight of the wagon going up to 8 tons?—No.

638. You are only asking for 8, or 7½, or 7¼, as the case may be, so as to avoid your being mulcted in extra charges for occasional wagons which may be just 1 cwt. or so out. It is not a question of the railway companies hauling extra weight?—No; they could not measure it with a micrometer gauge.

639. We know they do vary very largely?—Yes.

640. *Mr. Jepson*: You have to mark the tare on the wagon?—Yes.

641. Supposing you found you could not build to the 7 tons—if that is the maximum for the specification—and you had to put a tare of 7 tons 1 cwt., do you suggest that the railway companies would not pass that as not being in accordance with the standard

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Mr. M. W. MIDDLETON.

[Continued.]

specification?—There has been a good deal of trouble over that. Sometimes they will pass it and sometimes they will not. Some companies have been lenient and said that a hundredweight or so is neither here nor there; other companies have been very strict and have called the attention of the builders to it, and said, "We must insist on the tares being kept down."

642. *Mr. Locket*: It is a question of the idiosyncrasies of the Inspectors?—Yes.

643. But the weights are cut very fine?—Yes, to half a hundredweight.

Mr. Jepson: In practice, Mr. Pike, in charging these wagons the railway companies' servants are governed in their chargings by the tare marked on the wagon.

Mr. Pike: Yes.

Mr. Jepson: If there were any question about it they might have considerable variations in weight hanging round about 7 tons; one day it would be over 7 tons because it was a wet day, and on a very fine, dry day you might have the wagon less than 7 tons.

Mr. Pike: Yes. They would take the normal tare shown on the wagon, which tare is corrected from time to time.

Mr. Jepson: Gradually reducing as a rule?

Mr. Pike: Yes, as the wagon wears down.

Mr. Jepson: If a wagon under a 10-ton specification came out marked 7 tons 1 cwt. would it be allowed? If not, we are fighting a shadow, are we not?

Mr. Pike: That has been laid down as the maximum weight, 7 tons.

Mr. Locket: Is that including the various accretions Mr. Middleton has mentioned, the extra brakes, oil axle boxes, and so on? In fact, oil axle boxes are going to be made compulsory, are they not?

Witness: Yes.

644. That includes the additional brakes which are provided for by the Board of Trade order?—Yes, and the three-inch sheeting?

645. *Mr. Pike*: I will take that from you?—I was asking if you thought it did.

Mr. Locket: It is almost a question for the wagon superintendents, is it not?

Mr. Pike: Yes.

646. *Mr. Jepson*: It seems to me that if you conform to the specification you have no grievance?—I have, if the goods people charge me on the 10-ton rate.

647. But you cannot have a wagon built to a 10-ton specification which shows a tare higher than 7 tons?—Suppose I send out one to-day at 7 tons, and re-tare it next week at 7 tons 3 cwt. Mr. Pike says you are re-taring them regularly.

648. The wagon inspector ought to stop it and say it ought not to go?—It is so finely cut, as Mr. Locket has said; and we do feel that we might be met on this trivial matter by the railway companies.

Mr. Jepson: As there seems to be such a wavering about this margin, is it not possible to alter the 7 to make it 7½ or 7 tons?

Mr. Pike: It is possible to do it.

Mr. Jepson: To meet the special circumstances of a case like this.

Mr. Locket: I think 7½ would absolutely meet the case.

Mr. Pike: If that would meet it.

Witness: I think it would meet it.

Mr. Pike: I do not think we should mind 7½, Sir.

Mr. Locket: I know what controversies there have been about this question.

Mr. Abady: The other point on this question is the same about the mileage from 6 to 500; that denotes a minimum mileage of 6. It is submitted that it ought to be 1, so it will be subject to the minimum distance scale whatever it may be.

President: What do you say, Mr. Pike?

Mr. Pike: The minimum distance has been settled at 6 miles; but if we had to put in 1 to 6 it would be the same charge for each mile from 1 to 6; and,

as a matter of fact, it is the same charge even beyond 6—up to 10 to-day.

President: May I alter the 6 to 1?

Mr. Pike: If they want it that way; it does not help them a bit.

President: If it pleases them and it does not hurt you, it does not amount to much.

Mr. Pike: It is only a bit of extra printing, that is all.

President: That is all?

Mr. Pike: Yes.

Mr. Abady: I do not know whether Mr. Pike wants to make any observations about the two-thirds?

Mr. Pike: I do not think so.

President: It used to be one-half.

Mr. Pike: Yes; and it is now two-thirds. The railway companies, when this question was being discussed before the Rates Advisory Committee, sought to abolish that altogether. I do not think I need refer you to all the questions, but in the end Mr. Wedgwood, who was giving evidence, was rather pressed to reconsider the matter and see whether it could not be met in some way, so that instead of asking for the same charge as for all other wagons we have now put up a proposal, in accordance with the request, that it should be two-thirds. We really do not see why there should be any reduction at all. The work is just the same; therefore, we do not think it is altogether unreasonable for us to ask that the concession should be abolished altogether. Anyhow, we do think we have met it very well by suggesting two-thirds.

Mr. Abady: This will take me some little time, Sir, and I wanted to ask Mr. Pike a question or two and then ask whether it would be convenient for us to adjourn and then I could go on afterwards without interruption. I want to ask you one or two questions on the same point, Mr. Pike. When you convey merchandise and a private owner's wagon is used, you are under the obligation to return the private owner's wagon without making an extra charge, are you not?

Mr. Pike: Yes, if it is between the same points.

Mr. Abady: Yes, subject to conditions. Might it be taken, then, that the rate you charge for the merchandise so hauled includes an element of cost for the return of the private wagon?

Mr. Pike: Yes, I think that is a reasonable assumption.

Mr. Clements: I am also interested in this, Sir. I do not know whether this is the time for me to ask Mr. Pike any questions?

President: Certainly.

Mr. Clements: Is it not the fact, Mr. Pike, that very often private owners' wagons, if there is a serious breakdown, have to be sent long distances to places where they can be properly repaired?

Mr. Pike: If there is a serious breakdown, yes.

Mr. Clements: I am not alluding to the slight repairs which are generally done at the "cripples' sidings," as they are called, but they have often to travel very considerable distances?

Mr. Pike: No, I would not say they do. They may have to. I do not think it is the rule.

Mr. Clements: No, but is it not within your experience that they often have to travel long distances?

Mr. Pike: They have to sometimes.

Mr. Clements: I limited it to serious repair.

President: Yes, we perfectly understand it.

Mr. Clements: And, of course, there is a journey to be paid for each way?

Mr. Pike: It all depends on the circumstances of the case.

Mr. Clements: Yes. But they have to be taken to the works?

Mr. Pike: Yes; but it depends whether or not it is on the route which the wagon would anyhow take on its return.

Mr. Abady: This is not such a simple matter; it is a matter which involves important consideration to private wagon owners, and in a sense, it raises a question of principle.

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[Continued.]

President: That is rather ominous, after yesterday!

Mr. Abady: You will understand, Sir, that, under the Rates and Charges Orders, when a private owner's wagon is used, no charge may be made for the return journey; and Mr. Pike has admitted that the cost of the conveyance on which the charge for the conveyance of the goods is based includes an element of cost for the return, for which no charge is made. Under certain circumstances the wagon cannot—I am speaking of the wagon as a personal thing now—take advantage of the free empty haulage, because if at the end of a journey during which it has been taking material it breaks down and has to be sent on the line of another railway for repairs, that wagon has lost the free empty haulage which it would have had in order to get back to its original destination, and it has to be hauled on the lines of the other railway company and has to pay according to the scale. That may probably have been the reason why in such circumstances the scale which was applicable to the haulage would be one-half the normal scale if a new wagon were being hauled about—that is to say, being treated as merchandise. The striking fact is that when one railway company provides similar accommodation for a wagon which is owned by another railway company, no charge at all is made for the haulage. We say that the contribution to the railway service performed by private owners in providing the wagon is something of a very substantial nature, that one-half nearly of the wagons on the rail are private owners' wagons, and that those wagons contribute to the working of the railways in a way which cannot be exactly estimated in pounds, shillings, and pence. But it is a striking thing that in the Ministry of Transport Act an opportunity was given to the Government, or the railways, to put into effect what has long been agitated for in some quarters—namely, the extinction of private owners' wagons. An opportunity was given to them to take advantage of that, but they did not do it. So that the private owners' wagons continue to contribute what must be an important part to the general working of a railway company; and in principle if another railway company affords a facility to another railway company and makes no charge for it, it is not quite fair to say the wagon owner is in the relationship of an ordinary trader towards the railway companies. He is something intermediate; he almost stands in the relationship to the one railway company as the other railway company stands *qua* the provision of wagons for the hauling of merchandise. We say on those grounds that the existing concession of one-half is justifiable and should be continued, and that there is no altered circumstances which would justify the Court in ordering that the concession should be withdrawn. You have to bear in mind that, under such circumstances the free empty haulage is lost; and I am instructed to say that if the free empty haulage can be assessed in pounds, shillings and pence, and can be credited in pounds, shillings and pence, to the wagon when it loses its haulage, that we might be prepared to pay the full rates. But that does not seem to be a convenient thing; but it brings home what I want to

bring home—namely, that the railway companies are gaining in a double way. First, because they have not to perform the free haulage for which they have already charged in the conveyance of the goods, and because they are charging, for the conveyance of the wagon, one-half, whereas it would be nothing at all in regard to another railway company.

Mr. Locket: You think the desirable thing would be to have a debtor and creditor account; that the trader owning a private wagon should be credited with any free haulage to which he was entitled, and, if he did not use it, he should have the benefit of it when he sends the wagon to the works for repairs. Is that your argument?

Mr. Abady: I understand that would be acceptable.

Mr. Locket: But it is not practicable?

Mr. Abady: I do not know whether it is or not; it is a matter to be discussed. But I think it is a matter which must be assessed, and it ought not to be absent from the minds of the Court when coming to a decision on the question now before them.

Mr. Locket: If that can be done you would be willing then to pay the full rate?

Mr. Abady: Yes, that is so.

Mr. Jepson: Is not this the existing practice? Supposing I am the owner of a wagon and it has come up with a load of coal (if you like) from a colliery to a station; on its way back it breaks down and has to be sent to the wagon works for repairs.

Mr. Abady: On another line.

Mr. Jepson: I am talking about on the same railway now. On the same railway, does it, in going to the wagon works and after it has been repaired, then going back to the same colliery, get an allowance of the free journey to which it would have been entitled if it had gone straight back from the station to the colliery?

Mr. Abady: Yes, on the same line, that is so.

Mr. Jepson: Now, under this grouping that will, of course, be very much enlarged; there will be very many less cases of where a charge will be made for wagons going to wagon works.

Mr. Abady: That was a question I put when I was conferring with my friends; but they tell me no. There is a table, to which one of the witnesses can speak, which shows in actual practice, nothing prepared *ad hoc*, but just an ordinary every day journey of a wagon, it does involve changing over from one group to another now.

Mr. Jepson: When it is changed over from one group to another, the free haulage is lost in the second group.

Mr. Abady: Yes.

Mr. Jepson: Because the company which has to work it from the junction to the wagon works has had no full journey to compensate—the wagon has not been for a full journey to cover the empty journey on the line of the company.

Mr. Abady: That is so.

Mr. Jepson: That is the grievance?

Mr. Abady: Yes.

(Adjourned for a short time.)

Mr. Abady: When we adjourned, I was dealing with the exact nature of the grievance which was put forward; and I want, if I may, to deal briefly with the discussion that has already occurred on this particular matter at previous stages of the Inquiry. You will understand that, attached to the wagon scale of which this scale is an equivalent framework—the black and red thing—attached to that in the old General Railway Classification were certain regulations relating to wagons when they were crippled, and that sort of thing; and those were set out at the end of the Proposed Classifications as amendments—this buff document—and compared with the amendments that were proposed to be made. That was the old rule. "The ordinary scale of rates. . . must be charged

for empty railway trucks running on their own wheels (i) In the case of wagons from wagon works—for the mileage from the works from which despatched to destination, or to the point where sent for loading." Then there is another case. Then, "(b) Private Owners' Wagons sent out from wagon works on second or subsequent hiring, returned to wagon works from hiring, or sent to wagon works for repairs, or from wagon works after repairs, whether running on their own wheels or loaded on other trucks, to be charged half the rates provided under the preceding paragraph (a)/ii, minimum charge 5s. per truck. This reduced charge shall not apply where wagons are in course of transfer from one forwarding district or from one owner to another, and are also being repaired." Then

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[Continued.]

the proposal, as originally put forward in connection with the new structure was "To be deleted." The matter was then discussed and a document called P.C. 8 was issued by the railway companies; and if I read the heading it will sufficiently explain the circumstances. "In accordance with the request made by the Chairman of the Rates Advisory Committee at their sitting on 29th June, 1921, on the general regulations attached to the Classification, the following statement is made by the railway companies on the questions left over by the Chairman for their consideration." Under this particular head it is this, "The railway companies have given very careful consideration to the suggestions made for some modification of their proposals in the case of wagons travelling to repair works for necessary repairs, and are prepared to agree to the inclusion of an additional clause as under: Private owners' wagons running on their own wheels sent to wagon works for repairs and returning from wagon works after repairs will be charged as follows: Quantum of scale is under consideration." The Committee were pleased to accede to that quantum of scale to be determined by the Rates Tribunal. Now, I take it that what the Rates Tribunal are now doing is to consider the quantum of the scale, and they are doing it in this way: They have a blank form before them, and they are asked to say that the scale for the empty wagons under this particular circumstance shall be two-thirds of an unknown quantity. That is how the position stands. In order to justify the position which the wagon owners are taking up, I must refer quite briefly to the proceedings on the 29th June, 1921, which are referred to at the top of this statement I have just read, at which the Committee decided that the matter should be left to the railway companies in that way, that the quantum of scale should be decided by the Rates Tribunal, which is what we are doing to-day in a sense. The extract is not very long, but as it contains the essence of the contention which is being made now—in the words of the witness at the time—I think I ought to read it.

Mr. Locket: Who is the witness?

Mr. Abady: Mr. Ralph Lewis Wedgwood.

Mr. Locket: A railway companies' man?

Mr. Abady: Yes. This, of course, was in the second stage of the proceedings on Classification. You will understand that there was evidence given by Mr. Middleton and Mr. Hunter, and, I think, Mr. Boardman, very emphatic indeed. I do not want to read it again. Mr. Middleton will be here and he can express his view; but what I am referring to now is the final examination of Mr. Wedgwood by the Chairman after all that evidence had been given and the case had been stated. It is at page 1,012, and it begins at question No. 16,845. Would it be convenient if I read it?

President: Yes.

Mr. Abady: Mr. Wedgwood had said at the end of his answer to the previous question, "There is now the question of the half-rate." Then we get this at question 16,845, "(Chairman) That is 4 (b)?" (A.) Yes. That again is rather the same case; and I think Mr. Middleton put the case clearly. He said they regard the half-rate as a full rate. Why? Because it applies in practically all cases. It means that the concession has meant that the full rate is seldom used and the half-rate is heavily used. That is not the intention. We want to get back to our full scale. (Q.) What was the original object of bringing sub-clause (b) into operation?—(A.) I cannot tell you, sir, I do not know to what it dates. (Q.) You have the ordinary scale that rates must be charged for empty railway trucks running on their own wheels?—(A.) Yes. (Q.) In the case of wagons from wagon works—for the mileage from the works which despatched to destination, or to the point where sent for loading; and in the case of transfer from one forwarding district to another or from one owner to another—? Then it says, "(b) private owner's wagons sent out from wagon works on second or subsequent hiring, returned to wagon works from

hiring, or sent to wagon works for repairs, or from wagon works after repairs, whether running on their own wheels or loaded on other trucks, to be charged half the rates provided under the preceding paragraph (a ii)." Why was that ever conceded?—(A.) I can only suppose the wagons were wagons in regular use, and it was thought for some reason that the case of second or subsequent hiring should be met in some way. Then Mr. Hunter—who was one of the witnesses, and who was represented by Counsel—could not contain himself; he intervened and said this: "We do not object to paying for wagons when they are new, because of the profit on them; and we do not object to paying full rates when wagons are sold by one customer to another; but this rate was devised for the specific purpose of getting wagons to and from the repair works. That was its origin, and it has been in existence for 50 years." I do not think I need read the next statement, because it was not very polite and has nothing to do with the subject. Then we go on to question No. 16,851: "(Chairman.) At the present time they are under those charges?—(A.) Yes. (Q.) Have you any figures to show what is the cost to the railway company for running empty trucks as compared with the others?—(A.) No, I have left that over until we get the question of quantum." Then there is a discussion about the cost which I submit is not very material; I will read it if you wish, but I do not think it is necessary to do so. We know that it costs something, and no doubt the railway companies will say that the cost is sufficient to justify them charging two-thirds of the ordinary cost. It may be that is so. I do not know. I want now to take you to question No. 16,858, in the next column. "(Q.) What do you say generally about charging a half-rate when they are going for repairs. I dare say you would be inclined to be lenient to the people sending trucks for repairs?—(A.) You are thinking of repairs in particular? (Q.) Yes. Repairs did rather strike me as a special case.—(A.) We could consider that. I am willing to see if we can make any concession there." That is where the matter ended, and that seems to represent the frame of mind of the Committee when they recommended that the scale is to be determined by the Rates Tribunal. I should not be telling you the whole story, particularly having regard to a remark made by Mr. Jepson that when the wagon breaks down and is sent for repairs on its own line it does not pay anything, and as there will be amalgamations that will absorb a great number of cases which would be otherwise applicable under this rule—I do not think it is right to say that that is a concession.

Mr. Jepson: I did not think I put it so.

Mr. Abady: I want to get it clearly into the minds of the Court, if I may, that that is not a concession, but simply a working out of the unexhausted mileage to which it would be entitled if it were going for repairs or not. The Rates Advisory Committee were exceedingly kind to the wagon owners in the regulations they made under that head, which is printed in the same document to which I have already referred—namely, the regulations that have been passed; because they did make elaborate regulations so as to safeguard the rights of the wagon owners, and of railway companies also with respect to charge that should be made to the free haulage that was allowed when a wagon was sent for repair on its own line.

Mr. Jepson: I have not in mind exactly the regulation we did settle with regard to those.

Mr. Abady: Shall I read it.

Mr. Jepson: If you will.

Mr. Abady: "No charge is made on private owners' wagons conveyed empty in the following cases:—(a) When returned empty by the same route direct and between the same stations or sidings as conveyed full, and provided no free conveyance has been allowed in respect of the prior journey when loaded. (b) When forwarded empty to be returned full by the same route

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direct and between the same stations or sidings. Further, if an empty wagon travels in any direction over the lines of the same companies as on the loaded journey, free haulage will be given by each company for a distance not exceeding that over which such company has hauled the wagon on its loaded journey, notwithstanding the journey empty may be interrupted for repairs, subject to—(i) An advice note being handed in before the despatch of the wagon. (ii) Particulars being given of the loaded journey in respect of which free haulage is claimed. (iii) Free conveyance not having been allowed in respect of the prior journey when loaded. (iv) Charges being paid for shunting services rendered in those cases where a journey is interrupted for repairs. In all other cases empty private wagons will be charged for at the scale rate applicable." I do not think I need read any more; that covers the point, does it not?

Mr. Locket: I think those were the result of negotiations between the parties.

Mr. Abady: Yes, with the friendly counsel in aid of the Rates Advisory Committee. I think I appeared before the Rates Advisory Committee on that occasion.

Mr. Locket: I think really they were practically agreed before they came to the Rates Advisory Committee.

Mr. Abady: Some of them may have been; but I think that was the result of an earlier discussion. Now, the particular point is that it is quite clear that in the circumstances when a wagon is sent for repair on another line it loses its unexpired free journey and it has to pay something on the other line. At present it has got to pay a half.

Mr. Jepson: If it comes back on to the Railway A again after being repaired, of course it gets an allowance in respect of the loaded journey that has been performed on Railway A, does it not?

Mr. Abady: That is so.

Mr. Jepson: It may not be to the full extent?

Mr. Abady: No.

Mr. Locket: Only if it comes back to the same point at which it left the original line. But, as a matter of fact, it generally goes a sort of angular journey and taps the original line at a point farther on.

Mr. Abady: Yes. Under the circumstances, what is urged is that the half-rate is an equitable rate. It is a concession which has been in force for a great number of years; it is in respect of certain circumstances which may or may not arise very often; I do not think it helps my argument, or the railway company, one way or the other, whether it arises often or not, or whether it is diminished or not by the grouping. But it does arise. And the point the Court has to consider is whether the continuance of

the half-rate, having regard to all the circumstances—including the loss of the unexpired empty journey—is not a fair thing to the private wagon owners. I do want to urge on the Tribunal that the wagon owners are in a sense contributing towards the working of the railway by providing capital which would otherwise have to be provided by the railway company; they cannot be treated absolutely in the relation of a trader sending freight on the railway. It is a special case; and I thought I indicated by the reference I have made the spirit which seemed to actuate the late Chairman of the Rates Advisory Committee, and I hope that spirit will descend to you, Sir, and I trust that the application will be successful; also, that you will say that no just cause has been shown for altering the existing regulation.

Mr. Jepson: From what you say, do you think that the fact that those private owners' wagons running on the railway as regards traffic conveyed never get owners' wagon rates which are lower than the company's wagon rate—that is not sufficient compensation for the fact that the private owner is providing the wagon and not the railway company.

Mr. Abady: That may be. The rate that is charged does include a free haul which is not always taken. I think that is the circumstances. I think you may take it that the two go together. Where the half-rate is charged the unexpired empty haul is not taken or to a great extent is lost, and, therefore, you have to say is not the railway company compensated for making a reduction, apart from any other consideration of expediency, by the fact that it is relieved of the onus of giving the whole or any of the unexpired return journey, part of which was reckoned in the cost when the merchandise was hauled. If the railway companies are prepared to discuss with them the question of their paying the full rates on the basis of the unexpired empty haul being credited in pounds, shillings, and pence, on a scale to be agreed, that will be agreeable to them. Personally, it does not seem to me to be a very practicable thing, but that is a matter for the parties to arrange between themselves. The form of this application is that one-half should take the place of two-thirds where it appears below the scale on page 22. I do not know whether you would like any evidence on this; whether you think that Mr. Middleton's evidence would be of any use—whether you want cases where there is this loss now.

Mr. Locket: I think we should have some idea as to how far this extends. If it is merely a very small matter it is a case of *de minimis* almost; but if it is a matter which affects a large number it might be desirable to have evidence about it, especially as it is affected by the grouping. I am aware it was a serious matter before; it might not be so serious under the grouping.

Mr. MELVILLE WALKER MIDDLETON, recalled.

Further examined by Mr. ABADY.

649. Have you had reference to the map of the group to assess what difference will be made in the number of cases in which a half rate is payable now?—We have looked into this matter, and in order to be able to give you an idea I went into it with my friend, Mr. Boardman, taking out one of the accounts; I will give you the particulars to give you an idea of the money involved.

650. Mr. Locket: You cannot give an idea of the money involved without knowing what the quantum of rate is?—No.

651. You can give an idea of the volume of traffic?—Yes, and the number of times the wagon was stopped for repairs. I think that is a figure which it has been almost impossible to give—the number of stoppages per wagon. That is what you wish?

652. No. But could not you, as a repairing company, give us some idea of the number of wagons that are affected on an average, say, over a term of years. Can you give us any idea of that?—I should think you could reckon that every wagon has to go to the workshops once in every 15 or 18 months for heavy

repairs, either for one thing or another. They are bound to go in every second or third year for repainting; but they usually have a journey in between for wheels or tyres, or a heavy structural repair.

653. What percentage would be over the lines where they have habitually worked where the empty journey would come in. Can you give us any idea of that? I should think that is very difficult; but my own personal opinion would be that two-thirds of the wagons will run back free and one-third will have to pay. I cannot give you any reason for that except a sort of impression I have gathered.

654. Mr. Jepson: Is that impression formed on the circumstance of last year or the years that have passed?—No; I should say extending over a matter of 10 or 15 years.

655. Mr. Locket: Would it be possible to give us an idea of the number of wagons on which you pay at the present time?—I think Mr. Boardman might give you that, because he is dealing with the accounts themselves.

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[Continued.]

656. Can you give us an idea how that would be affected by the grouping.—On this question of grouping, a great number of these wagons are worked on the different groups, and very often the workshop is on a different group from the group they are on. I do not know if I make myself clear. I mean a wagon is working up and down on, say, the Eastern system and the workshop is on the London, Midland and Scottish system. When we want to do a heavy job we have to send them on that system. I have some cases here if you would like to have them; we simply took these out at random in sequence. Take the case of wagon No. 4,250: February 15th, 1922, stopped at Brent, Midland Railway, sent to Masboro', Midland Railway, for repairs; that was the nearest shop where we could do this work. That wagon was previously loaded at River Level, February 1st; London and South Western via Great Western; the subsequent loaded journey was from Dalton Main to Broxbourne on the Great Eastern; March 14th. It had to come back down the Great Eastern to get to the place where it was to be loaded.—We had to pay on that wagon, £1 10s. 11d.

657. May I give you another which would be a fairly typical instance? A wagon repaired by the Company whose works are at Rotherham. The owner of the wagon sends it to South Wales. On its way it stops at Hereford. It is sent from Hereford to Doncaster. The owner is entitled to a certain distance on the Great Western Railway to get it back; but the Great Western have to hand it over to some other company, perhaps the Great Central, and from the time it is received by the Great Central it would be liable to pay haulage from there until it got back to the works at Rotherham. That is the sort of case?—Yes.

658. You cannot give us any idea how frequently these cases occur?—There are hundreds of them. I would really like you to ask Mr. Boardman that, because he is dealing with the actual accounts passing through his hands of thousands of wagons in a month, so that he can answer that much more definitely than I can. But with regard to this unexpired haulage, I would like to make this point. Take an instance like this: A colliery company in South Wales purchases, say, 500 wagons. These wagons are built in Yorkshire—or Lancashire if you like. They are all loaded down to the West of England, and they leave the Midland or North Western system after travelling, say, a matter of 100 miles on them. Then they run on to the Great Western system and are delivered at the colliery. They never come back over the Midland or the North Western who get the 100 miles unexpired haulage into their own pockets; they do not give us any recompense for that. There are thousands of wagons dealt with in that way. Practically every wagon that goes to South Wales is loaded down there, and we never get a penny back.

659. Mr. Jepson: Is it the fact that very often these new wagons are loaded with, say, a ton of wheels to save the ordinary charge which would be made for new wagons running on their own wheels?—There is an option given to the wagon builders to load them with ordinary merchandise, but the rate paid on that merchandise is not a rate which includes the wagon back. The railway companies get all they are entitled to; but the bulk of the wagons are loaded with coal.

660. If they were sent in to some Lancashire or Yorkshire Colliery to be loaded with coal they would then be entitled to an equivalent empty haulage?—Yes; but we do not get that.

Mr. WILLIAM NELSON BOARDMAN, SWOTH.

Examined by Mr. ABADY.

668. Are you the manager of the Transport Department of Wagon Repairs, Ltd., of Birmingham?—Yes.

669. You heard the question that was put by the Court; they desired to have particulars, so far as they are within your knowledge, of instances where the half charge is payable for empty wagons. Can

661. Because, as a matter of fact, they do not go back?—No.

Mr. Abady: What you are referring to arises under another regulation nothing to do with this.

Mr. Jepson: Yes. That was a concession given by the railway companies to enable people to escape the charges for new wagons running on their own wheels, they were entitled to load anything up to a ton and the railway company hauled the wagon, when there was only a ton of contents without making a charge.

Mr. Abady: (2) (a) says: "When private owner's wagons are sent to wagon works for repairs, or from wagon works after repairs, containing wheels or other articles, no charge will be made for conveyance of the wagons, but the following minimum charges will be made on the goods loaded in them:—Classes 1 to 6, minimum charge as for 6 tons; Classes 7 to 9, as for 4 tons; Classes 10 to 20, as for 2 tons. The owner shall, however, have the option of paying the charge for the actual weight of the goods plus the charge for the conveyance of the wagons."

Mr. Jepson: Yes.

Mr. Abady: Of course, that does not arise on this particular question.

Witness: That was very largely for the railway companies, especially the companies far away; it enabled them to get the wagons on their lines, otherwise they would have been out of court geographically—the builders on their systems would have been out of court.

President: Do you wish to ask any question, Mr. Pike?

Mr. Pike: No.

662. Mr. Jepson: (To the Witness.) Can you tell us the origin of this—I will not call it concession, because it is something to which you think you are entitled—the origin of the one-half charge on these empty wagons returning from works after repair?—I am only 53 years of age, but I have asked the oldest people in the trade and they cannot tell me.

663. Mr. Locket: I do not think any railwayman can tell you?—I have asked all sorts of people.

664. Mr. Jepson: One wonders why it came about?—I have honestly tried to find out, but I am no wiser.

665. My question arises out of a question put by Counsel to Mr. Pike which was properly answered according to the present law. But it is assumed that the rate charged for coal in owner's wagons covers some payment for the returned empty free, under the Rates and Charges Orders; prior to that the obligation on the railway company was to convey empty wagons back free. There was no question of there being a charge in the full rate for the empty; but the obligation on the railway companies under the old Acts was to convey back free; then there was no question of the adjustment of free empty mileage. One does not quite understand how the half-rate came in under those conditions?—I am very sorry, but I cannot give you any information on the point.

666. Mr. Locket: Was it when the railway companies were doing all they possibly could to get the traders to put wagons on the line?—Yes, they were very glad to get us to find the money to provide wagons to enable them to earn money for themselves. They came and begged of people to find the money to build wagons and to turn them out as quickly as possible.

667. They, therefore, made all the concessions they could at that time?—Yes; they were very thankful for the various millions we have found, and they have earned a lot of money on those millions ever since.

you give us any such particulars?—I cannot give any definite details, I can only speak from general practice, from day to day workings; and these unexpired empty haulages happen each day and every day. We get wagons that are loaded from South Wales to London, and they are interrupted in London for

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[Continued.]

repairs. They are labelled to a workshop at Rotherham, on the Midland, and they travel Midland route to Rotherham. From there they sent on to a Yorkshire colliery, and, through no control of ours, they are loaded back to London, Great Northern. There you have two loaded journeys with an intermediate empty journey for which we are called upon to pay £1 10s., or £1 12s., or thereabouts. Now, if we send the wagon back to South Wales, the Great Northern Railway Company escapes the empty haulage to take the wagon back to Yorkshire. If we send the wagon back to Yorkshire, the Great Western Railway Company escapes the empty journey of taking the wagon back to South Wales. Wherever you come, it does not matter how you view it except in one instance. The instance is this: If a wagon goes from station A or colliery A to workshop B, and returns from workshop B to station A, or colliery A, that wagon incurs a charge both ways, and there is no empty-haulage to be credited. It has doubled on its track. But in all other cases there is empty haulage unexpired of which we cannot take advantage. That is our reason for asking for the half-rate.

670. Is that the information you wanted, Sir? How often does that happen?—It is happening every day.

671. In a large number of cases?—Yes, that is in so much as we have workshops through the country, and we deal with thousands of wagons each week.

672. Mr. Locket: It operates very largely even in the case of your company which has such a large number of important centres?—Yes, it does. The difficulty is this, that when a wagon is interrupted for repair the owner loses control of the movements of the wagon because he has a definite operation fixed for the wagon, and he cannot determine the time the wagon will be in the workshop for repair, and he cannot name a load that will be available for it when it is repaired. That is the difficulty.

673. Mr. Abady: It is the fact, is it not, as I stated, that the railway companies, in interchanging from one company to another with respect to wagons, make no charge for the empty?—That is so.

674. That is in the Pink Book?—Yes. And if we were treated on the same basis the only case where we would be called upon to pay a charge that is legitimately incurred would be in connection with a wagon which goes from colliery or station A to workshop B and returns to colliery A or station A, as the case may be—a wagon which doubles on its track. That is the only wagon which incurs a legitimate charge, without having some unexpired empty haulage to its credit.

Mr. Abady: I am sorry, Sir, that I have not the Fifth Proposition of the First Book of Euclid to enable you to follow it, but no doubt Mr. Boardman has made it clear.

675. Mr. Jepson: I do not think he is quite right. I want to ask one or two questions, because you are comparing the railway companies' practice between two railway companies and the practice between a railway company and a private owner of wagons, and saying it should be the same. You will recognise that as between railway companies it is give and take; one railway company will be sending on to the other company's line and it gets paid by being able to send its wagon on to another company's line?—That is my very point.

676. There is give and take?—Yes.

677. You want all the take, and you have nothing to give in exchange?—Excuse me. The position is this. I have illustrated a case of where a wagon goes from South Wales to London, Great Western, and then goes up into Yorkshire and goes down again. Between them the Great Northern and the Great Western have an empty haulage to perform for which we have paid.

678. You give that?—Yes. But I say that on the law of averages it works out exactly the same as do the railway companies' operations amongst themselves.

679. Mr. Locket: The converse might happen—give and take in each case?—Yes.

680. Mr. Jepson: You say you think that the measure of this is the difference between two-thirds, which the railway companies propose, and one-half?—I would suggest that if I were to take the measure and I were to be the man who could decide the question, I would prefer to take the full charge and pay that to the railway company and have back what was due to me by way of credit on the unexpired empty journey. But as a working proposition that would be too costly; the detail is too involved; and I think for all there is in it the railway companies should be quite happy with the half-rate. I think it is a very fair thing and works to their advantage in pounds, shillings and pence.

681. I suppose it is a very complicated thing to work out in all these questions of individual journeys of wagons how much empty mileage you have to have credit for and how much you have to pay for?—It is indeed. I have cases here noted where the wagons passed in February, 1922, and we do not get debited with the amount due until our October, 1922, account, and we get that debit from the Midland Railway Company's Chief Goods Manager. You see, this operation is going on day by day until it takes us 8 months to complete a particular transaction as at present; and if we set up the other thing it would be impracticable from the railway point of view. From our point of view it would make no difference, because if we to-day want to claim free haulage to which we are entitled against a prior loaded journey we have to supply the detail; and if we wanted to claim this money back if the full rate were being paid we should simply have to supply the same detail as we give them to-day.

682. Mr. Jepson: Supposing the proposition were to charge you half rates on wagons going to or from wagon works for repairs without any credit for empty mileage, that would save a lot of clerks, and a lot of account keeping, and a lot of cross checking, and so on. How does that appeal to you; that would simplify it very much, would it not?—We would accept that, and, with respect, I submit it is to the advantage of the railway company to have this half rate.

683. That is to say, half rate for wagons going back for repairs without any of this free allowance?—No, I do not quite see that.

684. That is what I meant; that is one way to simplify this procedure. One can quite understand if for every individual wagon you have a different allowance of free haulage then you have to charge the balance up to a certain scale, but would it not be better to pay the half rate on the whole of the distance that the wagon is going for repairs and back again and save any credits, and so on?—No, I do not think that would be a working proposition, with respect. Take all the wagons going from South Wales into London on the Great Western; we fixed up a workshop at Gloucester to tap those wagons at Gloucester on the return journey; if we were to accept the proposal it would mean that for all those wagons that are returning in the natural route you would call upon us to pay at the half rate in each case.

Mr. Jepson: It is only something that occurred to me. I wanted to get, if I could, at some arrangement to get rid of all this cross checking and debits and credits.

685. Mr. Abady: The carriage scale half of which is paid under these circumstances now has been subjected to the same increases as ordinary traffic?—Quite.

686. And the carriage scale was fixed a great many years ago, was it not?—That is so.

687. Do you confirm what Mr. Middleton said, that in the modern wagon the ease of running has been greatly increased?—I cannot speak to that.

688. With oil axles?—I cannot speak to that; I have no technical knowledge.

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[Continued.]

Cross-examined by Mr. PIKE.

689. You have had a lot of experience of these accounts. Can you tell us what is the proportion of journeys of wagons going to be repaired, or coming back from repair, that has to pay as compared with those that go free?—The proportion must be small.

690. The proportion that goes free is small?—No, the proportion for which we have to pay must be small.

691. That is what I should have thought?—It is so.

692. I thought your evidence was rather the opposite—that it was a very heavy burden upon you?

Mr. Locket: The proportions may be small, but the aggregate may be great.

Mr. Abady: Oh, it may.

693. Mr. Pike: Can you give us any information at all as to how much is paid by your firm; it is a

(The Witness withdrew.)

Mr. Clements: I have very little to say upon this. First of all, on behalf of the Iron and Steel Federation I adopt the submissions which have been made by my friend, Mr. Abady.

I appear also for the National Council of Coal Traders, and that reminds me, as I should have said this morning, I was speaking for them as well as for the Iron and Steel Federation when I was making observations respecting tolls. The National Council of Coal Traders are associated also with the Federation of Coal Merchants, and the Society of Coal Merchants, and they represent a very large distributing body of traders comprising merchants both wholesale and retail, factors and traders of that sort. They own a large number of wagons; I think it is something like 20 per cent. of the total privately owned wagons in Great Britain; therefore they are very much interested in this matter. As I put to Mr. Pike this morning, the wagons which break down badly, or which require serious repair, often have to be taken very considerable distances, and it is obvious that if the charge were increased from one-half to two-thirds as proposed there would be a very considerable addition to the payments which these traders have to make. In this case also on behalf of these Objectors I adopt my friend Mr. Abady's submission.

Mr. Pike: Well, Sir, in the evidence which Mr. Abady read, which was in fact the evidence to which I was referring without actually reading it, Mr. Wedgwood did promise to consider this question and see if some concession could be made. What we have offered now is in pursuance of that promise. It must not be forgotten that although it may not be a concession to the trader, the private wagon repairer, or owner, does benefit to a considerable degree through the grouping, and that is admitted. It must considerably minimise the number of cases in which he would have to pay, and that being so, to put the charge up a little from one-half to two-thirds does not sound very unreasonable. It has been suggested that as between the railway companies there is no charge, but the conditions, of course, are different there, because if Company A's wagon breaks down on Company B's line, and Company B has to haul it back, on another occasion Company B's wagon breaks down on Company C's line, and they get some sort of equality. The suggestion that all the returned empty haulage to which the trader might be entitled should be set to his credit, of course, as a practical proposition, could not be carried out, and even then it seems to be suggested that if there is a balance due to him, may I say on Company A, he should take it out of Company B; that is, that Company B should carry back at half rate a wagon as to which they have had no full haulage at all—they never have had, and never are likely to have; it does not sound a very reasonable proposition.

Mr. Locket: If you are dealing with the one wagon by itself that would be quite right, but then, as has been pointed out by the last witness, it is a case of give and take. The converse case would

very large firm?—I could not separate all the charges under the one heading of "Haulage." It is a difficult question to answer. The terms of our repairing agreements make us liable for the charge, and make the wagon owner liable, and I could not separate the two.

694. I am afraid that does not help me. Of course, when the wagon is being sent for repairs, if it goes over a certain portion of the railways that it has used on the outward journey full it gets credit for that?—Quite.

695. It is only the extra piece?—Exactly.

696. I take it you will agree that owing to the grouping arrangements you will benefit?—We must benefit; we hope to benefit.

probably happen the next day with somebody else, and taking the long and short it would work out pretty evenly in the long run.

Mr. Pike: Even with the grouping I should be a little inclined to doubt that, because certainly there are more wagon repairing shops on some of the grouped lines than others; I am thinking particularly of the Southern lines; so that there scarcely can be equality. Anyhow, we think that in offering to accept two-thirds of the ordinary charge we have met the case fairly.

President: In the proposals deposited by the railway companies at the bottom of page 22 "two-thirds" should be read as "one-half," and "7 tons" should be read as "7½ tons"; subject to those modifications the proposal will stand.

Mr. Pike: The next question is the form of the scale on page 23 for returned empties. That is a different form from anything that we have had before, but it really reflects the practice along with the new classification; I do not think there is any objection.

Mr. Clements: Yes, there is.

I appear in support of the objection of the National Federation of British and Irish Millers. The objection is this—this is the letter addressed to the Tribunal by the Solicitors advising the Association: "On behalf of our clients the National Association of British and Irish Millers, we object to the form of schedule of charges for returned empties on page 23 of the provisional proposals on the ground that no provision is made for the continuance of the present practice of the free carriage of empty grain and flour sacks on the reverse journey. A note should be added to the proposed scale stating that the practice is to be continued." I shall have something to say in a moment with regard to the word "free," but first I think I should put the Court in possession of the position to-day. The present practice is provided for in a regulation in what is commonly called the pink pamphlet. The regulation is No. 62, and it is to this effect—

Mr. Jepson: That is in the pink pamphlet which is commonly attached to the classification?

Mr. Clements: Yes. I have not seen the new classification.

Mr. Jepson: There is nothing corresponding to that in the regulations which have been settled, and which are to be attached to the new classification.

Mr. Clements: No. That is the regulation "Between stations south of Newcastle and Carlisle, inclusive of those places, empty grain sacks, not new, are carried free station to station on one journey only, either when being returned after being carried full, or when being sent to be filled by whom full." There are various other branches of the regulation, but that is the particular one which touches this objection. That practice as appearing there has existed for a very long time indeed. It was contained at one time in the Railway Clearing House classification, or, as it has been called latterly, the general railway classification. That was as far back as 1880,

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[Continued.]

and, for all I know, it may have existed a long time before that, so that it has been in operation for a very long time. I ought, perhaps, to say that there is another exception to that which appears in the regulation. You will observe "stations in England south of Carlisle," and the other exception is the Great Eastern Railway. The reason for that exception is, I think, because of a special tariff which that company have in force for grain and other agricultural products; I think it was called the experimental agricultural scale. On that practice the trade has been continued, as I say, for a very great number of years. It is extremely convenient; it saves a very great deal of clerical labour, not only to the traders, but I think also to the railway companies, and if it is to be upset there will be a great deal of, what I should submit was, needless disorganisation of the well-known trade arrangements. It would necessitate all sorts of changes quite apart from the fact that there would be extra payments, but it would cause a very great deal of dislocation and inconvenience.

Now with regard to the word "free," I should ask you, Sir, to think of that word in connection with this subject as always being placed in inverted commas, because I should submit that there is no free carriage, using the word in its ordinary sense, but that the practice of carrying sacks back empty, or letting them go once to be filled, is provided for in the rates. I think that is in accordance with the principle which was expressed in a case that was decided a good many years ago; that was the case of *Aldridge v. The Great Western Railway Company*. I have not the actual volumes of the law journal in which the case is reported, but I can quote the pertinent part of it from the Law of Carriers by Land by the late Mr. Macnamara. This is what occurs there as a quotation: the Court consisted of Lord Chief Justice Erle, Mr. Justice Williams, Mr. Justice Willes, and Mr. Justice Keating. Perhaps I should, first of all, state the nature of the case. It was a case where a condition was contained in a consignment note to the effect that the railway company would not be responsible for the return of empty packages.

President: Was it held that that was an unreasonable condition?

Mr. Clements: Yes, that is how it arose. Lord Chief Justice Erle in delivering the Judgment of the Court said: "We may observe that we are by no means prepared to accede to the suggestion that because no charge is made for the return of the empty packages therefore the company necessarily convey them on their line gratuitously. The company may justly be considered as having had the carriage of the empties prepaid in the shape of the previous payment for the carriage of the same packages when full including an obligation on the railway to carry the empties back without further charge." I believe there are other cases somewhat to the same effect, but I am unable to lay my hands upon them now; I could not find them when I looked for them.

Mr. Bruce Thomson: There is the case of the *Hunslet Assessment Committee* where it was held in the case of empty wagons taken back by a different route that the parish was entitled to be credited with something in the allocation of gross receipts, which involve the same point.

Mr. Clements: However that may be my submission is that the carriage of the returned empty is not free, because we have already paid for it. I propose to call evidence, and I think without addressing you at any further length I had better put the witness in the chair.

Mr. Jepson: Before you do that, are you going to refer to the evidence which was given before the Rates Advisory Committee on this, because I have a sort of recollection that we did have it discussed before us.

Mr. Clements: That is so, and the effect of that was that it was ruled that this was not a question of classification; that is why we are here now.

Mr. Jepson: Is that so? I knew it had been discussed, but I did not know on what grounds. I thought perhaps we had discussed the merits of the thing as to whether this limited portion of the country should continue to enjoy a privilege which it had had for a good many years, or whether it should be swept away, or should be applied generally.

Mr. Clements: I think there was some reference to that, but I do not think it was discussed on that occasion on its merits; I am not quite sure about that.

Mr. Pike: Yes, it was.

Mr. Jepson: You are asking for it to be applied now just in the same area as in the past it has applied?

Mr. Clements: Just in the same way.

Mr. Jepson: Will you have regard to this consideration: we are now under a system of grouped railways and this would now be a section of the country under which one group of railways would have privileges which are not extended to another section of the country served by the same group of railways.

Mr. Clements: In answer to that I should submit that the proper thing to do would be to extend the practice.

Mr. Jepson: I see—make it general?

Mr. Clements: Yes, make it general. The evidence to which Mr. Jepson has referred is contained in the proceedings on the 14th December, 1921, of the Rates Advisory Committee. There is not very much of it, but it is too much to read, I think. The thing I am chiefly concerned with is the observation of the Chairman to the effect that it was not a question of classification, and that we must find an occasion for bringing it up. Of course, the Objectors are availing themselves of that now in coming here. Mr. F. G. Thomas, who appeared for the Traders, then said: "Of course, under the old law the withdrawal of the privilege would have been an increase of rate which the railway companies would have to justify."

President: At present, what do other flour and grain sacks pay for return—half rates, or what?

Mr. Pike: Special scales.

Mr. Clements: No charges at all.

Mr. Pike: Oh yes, there is a special scale for empty bags and sacks.

Mr. Clements: I beg your pardon, yes, there is for grain sacks.

President: This is an exception on the general practice.

Mr. Clements: It is a suggestion for the continuance of the existing practice, but it would be, I take it, an exception from the proposed form of schedule. Then Sir Francis Gore-Browne says it would be "An increase of rate," and Mr. Thomas replies, "An increase of charge." Then Sir Francis Gore-Browne says: Then it is a matter which you must bring up under the consideration of charges." Then a little further on, on page 1137, in the middle of the left-hand column, Sir Francis Gore-Browne says: "I do not think it can be a matter of classification. I do not believe anything carried free is really a matter of classification. It is a different point, and I do not think the Rates Advisory Committee has any authority to deal with it. At most we could make a class of grain sacks; but then we could not say anything about the question of charges, and I doubt whether the Rates Tribunal has power to say that anything should be carried free. It has a right to fix a rate, but if it fixes a rate it must fix some rate." There, with great deference, I should differ. It must be a question affecting quantum one way or the other. If it comes under any head at all it must come under the heading of "Quantum." What is quantum? The answer would be nothing.

Mr. Jepson: Is nothing a quantum?

Mr. Clements: Well, I should say it is, yes. In this case I should say it would be a quantum *stuff*, but that is going a little too far, perhaps. Finally the Chairman said: "I rule it is not a matter of classification, leaving it open to you if you can bring it in in any

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[Continued.]

other way to do so; but you must find out what that way is, because I do not know."

Mr. Bruce Thomas: You are trying on the present occasion.

Mr. Clements: He recommended us at an earlier stage, as you say, to take any occasion we could get, and, as I say, the Objectors are availing themselves of that to-day.

I will call my evidence now with your permission, Sir.

Mr. Pike: I would like to suggest that this is not a question of form, and I suggest that having heard what has been said it might be stopped at this stage; I do not see what it has to do with form, which is what we are here to consider to-day.

President: I think, Mr. Clements, you said you wanted to alter the form?

Mr. Clements: It is a little difficult to find out what is the proper stage. It seemed to me that we should come and ask to be excepted from the first column where you see the word "Sacks." Assuming what we wish is to be done, that is the way I suggest.

Mr. WILLIAM ESCRITT, SWORN.

Examined by Mr. CLEMENTS.

697. You are the London Manager of Messrs. Joseph Rank, Limited?—Yes.

698. They have flour mills at a large number of places in Great Britain?—Yes.

699. Including London, Liverpool, Hull and Barry?—Yes.

700. Are you here as one of the representatives of the National Association of British and Irish Millers?—Yes.

701. And do they represent the interests of the grain and flour trade in all those matters?—Yes.

702. What do you say with regard to the existing practice that has been referred to as to the carriage of these sacks free, as it is called?—It is a general practice throughout the country, with the exception of the Great Eastern Railway Company. Ever since I have known the trade and within the recollection of men much older than myself these sacks have been carried without additional charge on the return journey.

703. Can you say why it is that there is an exception in the case of the Great Eastern Railway?—I have no real knowledge. I think it is largely due to the fact that the Great Eastern Railway Company's rates for carriage are on a very much lower scale than any other part of the country.

704. As regards the other main line which serves the docks where your London mill is situated, is any charge made by them?—No charge whatever.

705. That is beyond the rates on the grain or flour?—Well, I take it it is provided for in the full carriage when the goods are sent out full or when they come in full.

706. What would be the effect of the discontinuance of this long-standing practice, so far as your trade is concerned?—I think it would mean a good deal of trouble with the farmers who receive goods and have to pay for the return of the empty sacks, and our customers generally would resent the small debits that we should have to levy against them for carriage of empty sacks; it would upset the trade altogether. It is such a long standing practice that it is not in the interests of the trade that we should disturb it too much.

707. Would it require any reorganisation in the methods by which the business is carried on?—Yes; we would have to make different arrangements with regard to the getting out of our costs and that kind of thing.

708. Would it involve any additional clerical labour?—The additional clerical labour would be considerable. Considering the amounts that the carriage would represent, I should say that the railway companies would be better without levying this charge than they will be in having to collect the small sums involved.

it might be done. What we are asking for is the continuance of existing practice; how it should best be done, of course, is a matter to be determined subject to your ruling.

President: You say it is not a question of form, Mr. Pike? How would you like it dealt with? Do you say you can enter a note, or something, against "Sacks"?

Mr. Pike: Well, we are here to-day to consider the form in which these schedules are to be prepared, and I do submit that to suggest that certain returned empty grain and flour sacks in a certain large area should be carried back without any charge is not a question of form.

President: It does not sound to me so, but how do you suppose it is to be dealt with otherwise?

Mr. Pike: I do not know, Sir.

President: Is it a case of the celebrated 34?

Mr. Clements: I am quite sure that so far as it rests with Mr. Pike he does not wish to prevent the Objectors from being heard.

Mr. Pike: Not at all.

President: Then let us go on with the evidence.

709. What sort of traffic do these sacks make for the purpose of loading and carrying?—Well, you may take it that the returned empties per ton of flour weigh 32 lbs. The empty weight is about 1½ per cent of the full weight.

710. Are these sacks bundled together at all?—They would usually put 16 sacks in a bundle; there are 32 bags of flour to the ton, and on the return journey they would be put into two bags, 15 bags in each bag, and the other one making the 32.

711. Are they easily loaded and handled?—Very easily handled.

712. Are the railway companies themselves hirers of these sacks?—Yes, for the carrying principally of grain—inground grain.

713. And so far as you know, I suppose there is no question of charge for the return journey there?—No, I do not know of any.

714. They can hardly charge themselves, it would appear?—No.

715. Of course, we all know that there has been a very considerable increase in the rates on grain and flour as well as on other goods recently?—Quite; the same proportion as other goods.

Mr. Bruce Thomas: No, a reduction.

716. *Mr. Clements:* Well, a reduction from a great increase, and we have yet to see what the revised rates will be?—We are expecting a further reduction if we get what is due to the trade, I think.

717. *Mr. Jepson:* Before Mr. Pike asks any questions, do you know what is the practice in Scotland?—I do not know.

718. There are mills round the Glasgow and Clyde district?—We have mills in Glasgow.

719. What do you do there?—I really could not answer you; I do not know. I could have found out, but it did not occur to me to find out.

720. Notwithstanding that the districts south of Carlisle and Newcastle were different from the rest of the United Kingdom?—Well, my view was that the great part of the United Kingdom was carried free and that the Great Eastern was the exception.

721. Well, Scotland is also an exception?—So I understand.

722. And a large part of the North Eastern, is it not?—That is north of Carlisle and Newcastle?

723. Yes, Berwick and right up there?—I really do not know what the practice is in Northumberland. I could have found out possibly had it occurred to me to do so.

724. What is the practice on the Great Eastern?—The Great Eastern make a small charge for the return of empty sacks.

725. The ordinary empty sack?—No, I think it is much less than that.

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Mr. WILLIAM ESCRITT.

[Continued.]

726. Something special?—It is almost a registration fee at the moment; it is hardly a carriage.

727. Presumably in Scotland the sacks are subject to the returned empty scale, or there may be a special scale for empty grain sacks—I do not know?—I do not think there is so much grain traffic in the North, in Scotland, compared with what there is south of Carlisle. So far as flour is concerned, the great part of the trade there is being done in imported flour which is carried in thin non-returnable sacks, and we do not want to do anything that will increase

that trade. It has been advocated that we should go to the non-returnable bag in England, but that would cost the trade or rather the baker, and ultimately the public, is, a sack, and it would be apt to drive out the English milled flour.

728. Mr. Clements: There is one question I forgot to ask. Is the National Association of Corn and Agricultural Merchants associated with the Millers' Association in this objection?—They associate themselves with us in this objection, yes.

Cross-examined by Mr. PIKE.

729. You are aware, I suppose, that all other sacks have to pay on the return journey?—I was told so the other day, but I do not know what other sacks there are; they are next to nothing compared to grain sacks and flour sacks.

730. What about potato sacks?—Potato sacks hardly come into it. The flour trade is a continuous trade. The life of a flour sack or an offal sack is one of many years. So far as potatoes are concerned, many of them are carried in some of our worn out bags. There is certainly a trade in potatoes that is done in heavy twills, but that is nothing compared with the trade that is going on between the mills. You see there is 70 per cent. of the flour that is manufactured in this country made in the ports. That flour is going day by day from the ports to the towns and villages of this country. It does not apply to potatoes; they are a season's crop; it is all one movement pretty well; whereas, so far as flour and grain are concerned, wheat is coming all the time and flour and grain are going all the time. It is a totally different trade, and I do not think it applies at all.

731. Do you suggest that potatoes only travel over the railway at certain times of the year?—I suggest that it is a trade that is more or less of a glut and that potatoes are not a continuous trade just the same as our trade is. It is a totally different trade in my opinion. I do not think the potato men have any objection whatever. They know that we have had this concession for more years than I have lived, and I do not know that they have ever made any serious objection to it.

732. You think that potatoes all move in a few months, and there is not a traffic in potatoes passing over the railway continually?—I would not like to be thought so ignorant as that, but I know that the two trades are not on all fours; there is no comparison between the two trades.

733. I agree, but practically all those potatoes have to be put into sacks?—Yes, but they are not put into returnable sacks. A great many of them are put into rubbishy sacks that are filled once and thrown away.

734. Do you not know that there are large quantities of sacks sent down from Covent Garden Market into the growing areas?—I do, but a very small percentage compared to the percentage of sacks that are filled with potatoes. The percentage of potatoes that are filled in those heavy returnable sacks is a small percentage compared with the whole crop of potatoes. Many old bags are used by millers where they sell offals, bags included. The offals go to the farmer, and the farmer uses those old bags for filling potatoes into them; when they have been filled with potatoes they are thrown away. We are not asking for those sacks to be returned free at all.

735. I gather from what you say that your sack is a much more valuable article than the potato sack?—The sack which is carried free is a valuable article.

736. That is the flour sack?—The flour sack or the grain sack or the offal sack.

737. But the potato sack is a much less valuable article?—The returnable potato sack is as valuable as the grain sack, but the ordinary rough potato sack is of very little value indeed.

738. You suggested just now that worn out grain sacks are used for potatoes?—When I say "worn out," they are usually perhaps a cheap wheat sack

that we have had in from a foreign country; it has brought wheat here, it is filled once with offal, it goes to the farmer, and it never comes back to the miller. That sack does not come back free. It goes out gross weight, the farmer takes it and uses it for any purpose he likes, and usually he uses it for filling potatoes into it.

739. I think you agree that the sack that is used for the carriage of potatoes is less valuable than your sack that is used for corn or flour or offal?—Well, I do not know the exact value. I should say that a good potato sack is pretty well as much in value as the railway companies' grain sacks or as our flour sacks.

740. There are a great number of sacks that are used for carrying potatoes that are less valuable?—Yes, but they are not returnable sacks; they are sacks that are sold in with the potatoes, and they are usually discarded as soon as they have carried their freight.

741. There are numbers of them sent down from London to be filled?—Numbers of the good sacks are sent and numbers of cheap sacks are sent to be filled which are afterwards destroyed.

742. And those cheap sacks have to pay carriage when they go, at the returned empty rate, but still they have to pay carriage?—I suppose they will have to pay carriage.

743. You suggest that your sacks which are more valuable should not pay carriage?—I suggest that it is a totally different thing. The sacks I ask to be carried free are our heavy returnable flour or offal or grain sacks. We ask for those to be carried free as they have been carried almost since there were railways in the country.

744. In certain parts of the country?—In practically every part of the country. The Great Eastern charge is only a nominal charge, you know.

745. Do you know that empty sacks of every kind have been placed by the Rates Advisory Committee in their classification in the cheapest class there is for returned empties?—I do.

746. Then do you suppose that the charges are going to be so enormous?—I do not suppose that they will be enormous, but I do suggest this, that these sacks come back in very small quantities. A baker has a couple of tons of flour in a country village; he sends back 32 empty bags, which weigh 64 lbs.; the charge on that will probably be as heavy as he will be able to send back a very much heavier package for.

747. I am afraid you are getting away from the point. I am trying to compare these sacks with other sacks. Other sacks, when they are sent by train to be filled or sent empty after having been used full, are sent back in exactly the same way tied in bundles or put inside one another?—No, I do not think they are; I think they go back in short quantities. Flour is distributed to bakers' shops, and it goes a couple of tons to this man and four tons to that man, and so forth, and he sends his bundles of bags back at once.

748. Do you suggest that potato sacks are not packed into bundles in the same way, because that is what I asked you?—I do not know sufficient about the potato trade to give you a suggestion at all.

749. Well, you must take it from me that they are. Can you suggest any good reason why grain sacks or flour sacks should be treated any differently from potato sacks, cement sacks, shellfish sacks and things of that sort?—Well, the grain trade is a trade

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Mr. WILLIAM ESCRITT.

[Continued.]

that is very easily handled, as far as the railway companies are concerned. It is very regular trade. It is not like carrying shellfish empties. Fancy shellfish empties coming back again! What do you put them in? You have to be very careful what truck you put them in or you will taint other goods.

750. I am talking about sacks?—You said shellfish sacks. Shellfish sacks put into a truck will make that truck practically useless for something else, but if you put flour sacks in they are neither cumbersome nor troublesome; you can put them anywhere and they do not taint anything; they will damage nothing. You can put a bundle of them under your arm. You have had a 5-ton freight and your sacks take practically no room to come back.

751. What about potato sacks?—I do not think I can say any more about potato sacks. It does not apply; it is not a similar trade in any shape or form.

752. That is the best reason you can suggest why grain sacks should go free when other sacks pay?—I think it is in the interests of the railway companies that they should consider this arrangement which has been an arrangement ever since there has been such a thing as a railway company. I suppose the railway companies want to encourage the carriage of flour. The competition in the trade at the present time, if anyone knows anything about it, amongst English millers is very keen. The trouble is that we are fighting the imported article, and everything that you put on that increases our overhead charges

is not only troublesome, but it upsets our customers. We do not want to do anything to drive them on to the imported article. They will buy imported flour, sacks included, quickly enough if we begin to upset them with vexatious charges for carriage. My plea is that the railway companies leave well alone. It is a big traffic and traffic that pays them; it is a traffic that they like; and I say that the advantage that you will have by the little bit of extra money you will obtain is nothing like commensurate with the amount of trouble involved.

753. But you can suggest no reason for discrimination between your grain and flour sacks and any other sacks?—Yes. I think I have suggested that the discrimination is in the class of traffic. You have no class of traffic as heavy as the grain traffic that has so little in the shape of empties. Our empties are practically nothing compared to the weight of our bulky stuff, and your empties in any other trade are very much greater than the empties on the grain traffic. In proportion to the bulk of the traffic that you get from grain your empties are very little indeed.

754. I am asking you really not to compare them with the empties in other traffics which are not comparable; I am asking you to compare sacks?—But you asked me to compare them with potatoes, and I think I am entitled to make the suggestion that the empties for the flour trade are very light considering the very heavy flour trade that there is.

Re-examined by Mr. CLEMENTS.

755. Can you tell me whether there have been any complaints by the potato trade of the continuance of the practice with regard to grain sacks?—The next complaint I hear of will be the first.

756. I understand that to mean that there never has been a complaint; is that so?—I do not know of one.

757. When the sacks are returned they are returned at owner's risk, are they not?—Yes.

758. So that there is no responsibility on the part of the companies carrying it?—No.

Mr. Bruce Thomas: Is that correct?

Mr. Clements: If my friend wishes me to state the terms of the owner's risk consignment note, I am quite prepared to do so.

President: I do not think we will trouble you.

Mr. Clements: Then I will call Mr. Wherry.

President: Is this to repeat the evidence that we have heard? I have had an opportunity of speaking to my colleagues, and they are very uncertain if we can help you at this stage of the proceedings. We are bound to provide a form, and we are providing a form. What you seem to be urging is, that when the form comes to be applied no charge shall be added to your particular sacks.

Mr. Clements: Yes, or, as it is put in the objection, that a note shall be added.

President: We must see whether they propose to put a charge first, must we not?

Mr. Clements: No doubt that must be the position, but of course you will understand that after the extracts from the Minutes of the proceedings before the Rates Advisory Committee, which I have read, they were bound at all events not to lose any occasion of coming before you.

President: It is very kind of you to bring it to our notice, and we are indebted to you for that, but surely it must be a question when the quantum is put or applied to the form, must it not?

Mr. Clements: I quite agree; it must eventually come to that.

President: I do not think then we can do otherwise than pass this form and reserve to you the right of raising the question when the quantum comes to be determined. It may be that Mr. Pike will do something, or it may be that he will not do something.

Mr. Clements: If you would do that the Objectors would be quite satisfied.

President: Very well.

Mr. Eric Bousfield: I appear for the National Union of Mineral Water Manufacturers' Association.

President: Is yours on this same schedule?

Mr. Eric Bousfield: On the same schedule.

President: Does it raise the same points?

Mr. Eric Bousfield: No. Perhaps I may just read the first two objections I have; they are alternative. The Association I represent comprises nearly 3,000 manufacturers of mineral waters. It is a very big trade, and nearly all their railway traffic, whether it be syphons or bottles, is always sent in cases, or practically always in boxes or cases, and, of course, there is a return traffic. The returns in every case weigh from two-thirds to three-quarters of the loads when full.

President: You want a special class?

Mr. Eric Bousfield: I want a special form of schedule to deal with such goods.

Mr. Jepson: Where do you say you would come at the present time—under Class E?

Mr. Eric Bousfield: I do not know, of course, what these classes represent. The way in which I am putting it is this, that these schedules do not contain a schedule similar to the Fourth Schedule division under Section B, providing a rate for the carriage of goods such as syphons and bottles in cases, including a charge for returned empties. The schedule I refer to there is the schedule on page 4 dealing with milk in bottles in cases which is the completely analogous case. Curiously enough, the weights are almost exactly the same, or they are substantially the same as cases of syphons and cases of bottles. The schedule is: "Milk, in bottles, in cases.—Weight of each case not to exceed 90 lbs. full, 60 lbs. empty. Minimum charge for 3 Imperial gallons per case, including charge for returned empties." I am reading it as it stood originally. That is the form of schedule which is here, and I am asking for a form such as that, or else alternatively, and it amounts to the same thing—it is another way in which it could be dealt with—"B. That they do not contain a form of schedule providing a rate for the conveyance of returned empties applicable when the weight of such returned empties exceeds 50 per cent. of their weight when full," or I would be content to take "exceeds two-thirds of their weight when full."

Mr. Jepson: What is the present practice? Do you get rates which include the return of the empties?

Mr. Eric Bousfield: No. Up to the present it has been an impracticable matter for this to be dealt

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[Continued.]

with, because of any general objection such as this were raised, it would be a case in the past of having to raise it against each individual railway company. Now the thing can be dealt with as a whole, and it is a grievance which affects the trade over the whole country. At the present time they come under one of the exceptions. Have you the proposed returned empties classification put forward by the railway companies?

Mr. Jepson: Yes; it is settled.

Mr. Eric Bousfield: This is only the proposal that I have here; I have not seen the settled one. The proposals as regards returned empties are on a separate sheet dated "Railway Clearing House, March, 1921."

President: Is it the same as pages 134 and 135 of the Classification that has come out?

Mr. Pike: That is the same thing, yes—of course, with certain modifications which the Committee made.

Mr. Jepson: This is the settled Classification?

Mr. Pike: Yes.

Mr. Eric Bousfield: The settled Classification is not, I understand, available.

Mr. Pike: Yes.

Mr. Pike: No, it is not available yet.

Mr. Jepson: I am sorry, I thought these were purchasable.

Mr. Eric Bousfield: I think not, so that I can only deal with this. This, for my purpose, is more convenient, because it gives both the existing and the proposed practice. The existing practice was that there was a general scale, and then there were a number of exceptions, and among the exceptions were acetate acid casks and a number of other things—bottles in casks, cases, or hampers—and they were to be returnable either at the same rate as when received full, or at the general scale if cheaper. So you have the alternative of two rates; both of them, I should submit, were very high for this particular class of returned empties which I want to deal with. The proposal is that they be deleted and charged at the general scale. As far as I can gather from what took place before the Committee, the brewers had an objection; they objected to this deletion, but apparently in consideration of getting the exception continued for their barrels they were content to give it away as regards everything else. In one question only can I find really that it was dealt with on the question of bottles.

President: Mr. Pike, can you help us on the question as to what is intended to be done here? E would comprise all returned empties not comprised in any other class of returned empties.

Mr. Pike: Yes.

President: Would it come under that?

Mr. Pike: Yes, certainly.

Mr. Jepson: And equally empty beer bottles and empty cider bottles in cases would come under E, the general scale?

Mr. Pike: Yes.

Mr. Jepson: The other scales A, B, C and D are considered to be empties in rather a lower class and would be subject to a rather lower charge than the general scale?

Mr. Pike: That is so, but I would suggest now, while I am on my feet, that this is entirely a question of classification which has been settled, and this is not the place nor the time to raise it.

Mr. Jepson: This gentleman did try and put himself into form by saying: "I want a new schedule proposed for my empty mineral water bottles in cases."

Mr. Pike: I would suggest that a returned empties classification has been decided upon, and that the only schedule that we can put up is a schedule which accords with that classification. That is provided for under Section 30 of the Act.

President: And your E here in the form is meant to include, and does include, all returned empties not comprised in any other classes of returned empties?

Mr. Pike: That is so.

President: And his bottles in cases will be dealt with under that heading?

Mr. Pike: That is so.

Mr. Eric Bousfield: If I may say so, I submit, first of all, that it is not a matter of classification, but let me assume that it is; it is clear that under the Act the Tribunal has power now to alter classification.

Mr. Jepson: After the appointed day.

Mr. Eric Bousfield: No, that is just the curious part, and it clearly is right. Where I have a very serious and real grievance, as in this case, that I should come here and be ruled out because it is classification—

President: I thought I had ruled you in.

Mr. Eric Bousfield: I am not suggesting that I have been ruled out, but I understand it was suggested it was classification, and therefore should not be dealt with here.

President: It has been dealt with by way of classification that returned empties such as yours should be put into a definite class, such as Class E, and there you are.

Mr. Eric Bousfield: Yes.

President: How can we help you any more? That is exactly what you wanted before—a class of your own, so to speak. A class which will include your bottles will include other bottles.

Mr. Eric Bousfield: Yes, I want a new class as regards bottles in cases.

President: But you have got it in E.

Mr. Eric Bousfield: No, E is the general scale, I understand.

President: It is the classification, which will include yours, and for which a scale will be ultimately applied. You would not mind being cheek by jowl with a cider bottle, for instance.

Mr. Eric Bousfield: No, if I am cheek by jowl, with nothing but bottles and goods which weigh two-thirds of their weight when full, I am quite content then to come on the question of quantum; but if I am mixed up, as I am under their proposals—and that is where I am at a disadvantage and I must come here at this time—with all sorts of other things, such as returned empty crates, which obviously weigh nothing at all, and must be charged for the space they occupy, unless I am an exception to the general scale for such a class I want the schedule altered.

Mr. Locket: Why did you not come when the question came up before the Rates Advisory Committee on Classification?

Mr. Eric Bousfield: It is rather difficult for me to answer that. I understand this objection was not raised then possibly because it was not realised. Let me assume that it is a matter of classification.

Mr. Locket: If everybody who does not think that classification affects them is at liberty to raise questions afterwards, there can be no finality to the matter.

Mr. Eric Bousfield: I am quite content. There would be no finality in this sense, that nobody can be stopped from coming now and saying that they have a grievance because they did not come before the Committee. Just to make that quite clear, may I refer to Section 28 of the Act?

President: That is after the appointed day.

Mr. Eric Bousfield: May I just read Section 28, sub-section 1: "The Rates Tribunal shall, in addition to any other powers conferred upon them under this Part of this Act, have power to determine any questions that may be brought before them in regard to the following matters:—(a) The alteration of the classification of merchandise, or the alteration of the classification of any article, or the classification of any article not at the time classified, or any question as to the class in which any article is classified—that is to say, any question whatever of classification. Now, if you will look at the end of the Section you will see sub-section 2 is: "The powers of the Rates Tribunal under paragraphs (b) and (c) of this Section shall not be exercisable until the appointed day," and *per contra*, under sub-paragraph (d) those powers are exercisable as and from the date when the Tribunal comes into existence.

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Mr. Locket: Yes, but they must be exercised in due form. There must be a special application lodged and the ordinary procedure must be gone through. Surely you do not contend that they can be interpolated in such a proceeding as this?

Mr. Eric Bousfield: What I was going to say was, here it is a question of principle; it may be a matter of schedule, or it may be a matter of classification; I am quite willing to undertake that an application shall be put in to alter the classification if it be necessary, so that in either case this matter can be dealt with properly and in order.

Mr. Bruce Thomas: Might I draw attention to one or two matters upon the particular point that my friend has just been putting, because I think there is some slight confusion here? If you will look at Section 29 you will see that says that the Rates Advisory Committee shall settle the classification; then, if you will look at Section 30, you will see it provides that "a schedule of standard charges is to be submitted according to the classification fixed as aforesaid"; that is the classification that has been settled by the Rates Advisory Committee, and that is the classification that is to come into force on the appointed day. Now Section 28, subsection 1 (a), which sets out one of the functions of this Court which may be exercised before the appointed day, has no reference to that classification which is finally fixed by the Rates Advisory Committee, but what it is referring to is the existing classification which operates until the appointed day, and the power which is now vested in the Board of Trade of adding to that classification.

Mr. Jepson: But that is the statutory classification, not the general working classification, surely.

Mr. Bruce Thomas: Quite so, but any question may be brought before this Court to-day under Section 61. Here you are given another power which you may exercise before the appointed day, and, of course, after the appointed day, but in reference to the particular classification that then is in force, and the whole thing has now been put into the hands of this Court.

Mr. Jepson: It is taken away from the Board of Trade. What I mean is that that power which the Board of Trade had was not with regard to the general working classification.

Mr. Bruce Thomas: No, quite.

Mr. Jepson: It was confined entirely to the statutory classification as set out in the Rates Charges Order, and that power has been transferred to us, and only operates until the appointed day when the new classification comes into force, so that if this gentleman wants to proceed now on classification he has to put in an application for an alteration or an addition to the statutory classification.

Mr. Bruce Thomas: Yes.

Mr. Jepson: Until such time as this new standard classification, which has been fixed by the Rates Advisory Committee, comes into force on the appointed day.

Mr. Bruce Thomas: Yes; but of course, my friend is really here on the position which will arise after the appointed day.

Mr. Jepson: That is what he is seeking. He is seeking really an alteration in the classification which has been already fixed up by the Rates Advisory Committee, and on which the railway companies have to formulate their schedules of standard rates.

Mr. Eric Bousfield: If I may say so, the only classification which this refers to at all is the classification under the Act. The new classification is the only classification that is referred to throughout the Act. There is no suggestion anywhere else that this Tribunal has to deal with anything except the new position arising under the Act.

President: In any case, we could not help you on this application. You would have to make an application in due form assuming that you were right. You would have to make a specific application to alter the classification—I mean assuming that you are right;

I do not say that you are; all I mean is, according to your own argument.

Mr. Eric Bousfield: I am submitting that this is a matter of form, and assuming that I am wrong, I submit where there is such a real grievance as there is in this case, it would be contrary to what is intended under this Act to shut me out on a technical point when it can be put right by my putting in an application for an alteration of classification if that be necessary.

Mr. Jepson: I do not think you can put in such an application to alter the classification that has already been settled by the Rates Advisory Committee until after the appointed day when it commences to operate.

Mr. Eric Bousfield: Oh, yes, surely; as soon as that classification is in existence I can apply, obviously.

Mr. Jepson: But it is not in existence yet, and it will not be in existence until after the appointed day.

Mr. Eric Bousfield: It will be in existence as soon as it is settled—certainly as soon as it is public. That is the classification referred to under this Act. I do not have to wait until the appointed day to come here to make an application to alter it.

President: I am afraid we cannot help you.

Mr. Eric Bousfield: Do you then say that this is not a matter of schedule?

President: It is a matter which has been dealt with on classification. The classification has grouped together certain things; you are in those certain things; you did not apply, apparently, before the Rates Advisory Committee to put your particular things in a special class, and to that extent your opportunity has gone. We are now applying the form which we say will be applicable as far as we know to the classification which exists. If you want it altered you would have to make the application.

Mr. Eric Bousfield: If you rule that, and I may not now make the application, that deals with the first two objections. You rule that I may not make the application at the moment?

President: Yes.

Mr. Eric Bousfield: Then there is a further objection, first that the minimum distance to be charged for is too large, and that the mileage gradations proceed by excessively large steps. The mileage gradations go from 25 to 50 miles in the first jump. The effect of that in such goods as these (and on the classification as it stands, I submit, they must be taken together) is, that wherever you have got any heavy goods such as these, nearly always, when you are anywhere just over one of these steps, you have to pay a higher rate for your returned empties than you have to pay for your full goods, and in many cases, so far as one can tell from the present rates, which is the only basis of working, the cost for the return of the empty bottles is actually more than the charge to carry the full bottles from the works down to where they are distributed, which is an obviously ridiculous state of affairs. I have one or two instances of such rates here. These rates have been worked out for me: Eridge, 36 miles from London; the rate for full cases is 15s. 5d., and the rate for empties to be returned is 23s. 4d. In both cases these are C and D rates. That is nearly 50 per cent. more, and the returned cases weigh getting on for three-quarters of the full weight, so it would cost more in that case to send your empties back than to send the full ones.

Mr. Jepson: What do those figures represent—actual charges, or charges per ton?

Mr. Eric Bousfield: The rates per ton.

Mr. Jepson: So that in the case where you say it is 15s. 5d. per ton that is the rate for the full, and 23s. 4d. is the rate for the returned empties.

Mr. Eric Bousfield: Yes.

Mr. Jepson: Of course, the fulls would be much heavier than the empties?

Mr. Eric Bousfield: No. The point here is that the empty weights are two-thirds to three-quarters of the full, and 15s. 5d. is less than two-thirds of the 23s. 5d.

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Mr. Jepson: In giving us those figures, 15s. 5d. and 23s. 4d., when you say you compare the charges both ways you are not comparing like with like?

Mr. Eric Bousfield: I said they were the rates.

Mr. Jepson: I thought you said the charges.

Mr. Eric Bousfield: No, the rates, so that, even in the most favourable case, the actual charge for the empty bottles is bigger than the charge for the full.

Mr. Jepson: It seems to come out at about the same; if 15s. 5d. is two-thirds, it brings it up to about 23s.

Mr. Eric Bousfield: It is more, in fact. If it is syphons that are sent, it actually works out at more, because they are three-quarters. Take Dorking, which is 27 miles from London; there it is 12s. 8d. full and 23s. 4d. empty. The rate for the empties is nearly double the rate for the fulls in that case. It does not mean that it is actually double, but obviously it is substantially more. Then, taking Crawley, the rate is 14s. 10d. full and 23s. 4d. empty; those places are all between 25 and 40 miles. Now take Worthing, which is 60 miles; the rate for full is 19s. 8d., and the rate for empty back is 35s. Then Portsmouth, which is 72 miles, the rate full is 23s.; and the rate for empties 35s. In both those cases you have to pay substantially more for the return of the empty bottles than you actually have to pay for taking the full bottles down. If you take a place where there is a special rate, of course the thing works out even worse, but it depends so much on the distance; but as regards the difference between the rates, these steps of 25 miles jumping from 25 to 50 and from 50 to 100, have the effect that where you are anywhere within the first half over the step between 25 and 35 or 40 miles you will nearly always pay a higher rate per ton, and in many cases you will have to pay a higher actual charge for the return of the empty case than for the full. When those results are produced by a schedule, I submit that it must, on the principle of *reductio ad absurdum*, be wrong if it should come out that more should be charged for an empty thing than it can go when it is full. In the 50 to 100 scale, where you get again in the first half 50 to 70 miles, you get the same results. I can call a witness to tell you about this unless Mr. Pike is ready to take these rates that I have quoted, and the witness can give you the figures as to the rates of full and empty.

Mr. Jepson: You want an alteration in these gradations of distance?

Mr. Eric Bousfield: Yes.

Mr. Jepson: What constructive proposal have you got to put in place of what the railway companies propose?

Mr. Eric Bousfield: I see no reason why they should not be charged upon mileage.

Mr. Jepson: I suppose you know the present scale is the same as what the railway companies are proposing?

Mr. Eric Bousfield: Yes, I know.

Mr. Jepson: Up to 25 miles, 25 to 50, 50 to 100, and so on?

Mr. Eric Bousfield: Yes; the present scale, I agree, is the same, but *non constat* that that is the proper scale. It is obvious from my point of view, and I submit it is quite plain, that the proper way is that there should be a mileage charge.

Mr. Jepson: You think that would be more acceptable to the general body of traders throughout the country, who send returned empties, to pay according to mileage scale rather than to pay these fixed charges for grouped distances?

Mr. Eric Bousfield: Or to have an alternative mileage scale.

Mr. Jepson: Going back to what you spoke of just now, there was an objection put in before the Rates Advisory Committee by the National Union of Mineral Water Manufacturers' Association; is that your association?

Mr. Eric Bousfield: I have been told that there was, but the solicitors instructing me have been unable to find it.

Mr. Jepson: It is rather interesting, having regard to what you say, just to read this. This was addressed to the Secretary of the Rates Advisory Committee: "We observe that in the proposals of the railway companies for the new classification of returned empties the existing provision, that bottles (mineral bottles, ale, cider and perry bottles and the like) shall be carried at the same rate as and when received full, may be supplanted by a charge at the general scale—if that be cheaper for us. May we point out that we think that to charge for empties at the same rate as for full bottles is altogether a penalising policy, and we ought to be offered a much more generous alternative. We believe that the alternative might be even more penalising in its operation in certain incidents." Then you crave leave to appear, although you are rather late in making your application, and you were given permission to appear, and, in fact, you did not appear.

Mr. Eric Bousfield: No.

Mr. Jepson: There your position was that you should be put into the general scale.

Mr. Eric Bousfield: No. Our position was that we should be put into a scale which would give us a cheaper rate than we had to pay for sending them out.

Mr. Jepson: The original proposal of the railway companies was that ale, cider, and perry bottles, and the like, including mineral water bottles, should be charged at the same rate as full. After a long discussion the Rates Advisory Committee decided that these empty cider, ale and mineral water bottles should all go into the general scale.

Mr. Eric Bousfield: If I may say so, I think you are mistaken there. Here is the proposal of the railway companies as at present, and all sorts of bottles, and various other things, were entitled to go at the same rate as and when received full, or at the general scale, if cheaper. The railway proposal was to be deleted, and the traffic was to be charged at general scale.

Mr. Jepson: That is what you asked for.

Mr. Eric Bousfield: No. We say there we think it iniquitous that we should have to pay at the same rate for empty bottles as for full, and we think we should be put into a cheaper class for returned empties. If you read that again I think you will find that that is an accurate summary.

Mr. Jepson: "We observe that in the proposal of the railway companies for the new classification of returned empties the existing provision, that bottles (mineral water bottles, ale, cider and perry bottles and the like) shall be carried at the same rate as and when received full, may be supplanted by a charge at the general scale—if that be cheaper for us"; you have got what you asked for.

Mr. Eric Bousfield: "May be supplanted by the general scale if that be cheaper." The general scale, in fact, is not cheaper unless there is going to be a very drastic change.

Mr. Jepson: In those particular instances you have picked out perhaps.

Mr. Eric Bousfield: The instances I have picked out are merely instances where the rate is so much in excess of what you have to pay for the full rate that you actually have to pay more for the empty in fact. I have here a whole list of places taken at random where the rate is in excess. I will not say it is universal, but it is getting on to be the rule.

Mr. Jepson: One can quite understand that there must be a lot of cases of that kind, when you have gradations of distances like this of general application, whereas the rate for the full is according to the mileage. For the returned empties there is no difference in charge between 25 and 50 miles, and therefore in certain instances you may find cases probably where the rate for the returned empties is equal to, or perhaps in some cases a little more than, the rate for the full.

Mr. Eric Bousfield: But where you get so far that you actually have to pay more for an empty bottle sent back than to send a full one.

Mr. Pike: May I interpose for a moment. I do not think this gentleman is comparing like with

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like. He has been taking rates for the full between London and stations on the Brighton Railway.

Mr. Eric Bousfield: No, not all on the Brighton Railway, is Portsmouth on the Brighton Railway?

President: Yes.

Mr. Pike: The rates for the Brighton Railway charge are all station to station.

Mr. Eric Bousfield: I have here a book published by the railway companies, giving tables for calculating as between places in England and Wales. That tells you that you take a rate and you read off opposite that rate, and then for collection and delivery you add 1s. 6d. per ton. These have been worked out in the best way we can by these tables published by the Railway Clearing House; if those tables are wrong, perhaps my rates are wrong.

Mr. Pike: Anyhow, the rates which the Brighton Company charge are station to station, whereas the empty rate which has been quoted is C and D, which makes a lot of difference.

Mr. Eric Bousfield: Perhaps Mr. Pike will check one of these if he questions my figures. Now, Mr. Pike, there are all the materials that I have. (*Same handed.*) Just check Worthing.

Mr. Abady: Would it be convenient to inquire whether you are going to take the next item to-day?

President: Yes, I think so.

Mr. Jepson: How long will it take?

Mr. Abady: Mr. Bruce Thomas can tell you better than I can; I think it will take him a little time to open.

MR. HOWARD IDRIS, SWORN.

Examined by Mr. ERIC BOUSFIELD.

759. You are a director of Idris and Company?—Yes.

760. And you have a considerable amount of mineral water traffic over the railways?—That is so.

761. Of your total traffic, is about three-quarters in syphons in cases?—About that.

762. And is your average bill for the last three years something over £2,000 a year for railway carriage?—That is so.

763. Is the weight of a case of full syphons 82 lbs.?—Yes.

764. And empty 60 lbs.?—That is so.

765. Have you worked out a number of rates to various places from the A.B.C. book?—Yes, I have not done it personally.

766. And the rates worked out higher for the return than for the full journey?—In a great many cases.

President: When you say "worked out," why did he not take the actual results?

Mr. Eric Bousfield: I mean, worked out from the rates.

Mr. Lockett: Why did he not take the rates from his accounts?

President: Why did you want to work it out at all?

Mr. Eric Bousfield: Perhaps you will explain, Mr. Idris. This is not merely a matter of the one place.

President: No; there would be several places, no doubt, but he would say: "I sent it to such and such a place full, and I got it back empty, and the charge in one case was so much and in the other case so much"—the actual fact.

Mr. Eric Bousfield: It may be that in none of the places to which Mr. Idris actually sends, the rates are actually higher, but it does not affect the fact that the rates are higher than they should be, but it may not be so for this particular area.

President: I rather gathered you were representing a gentleman who had paid more for the returned empties than for the full.

Mr. Eric Bousfield: No. What I said was that the rates per ton in very many cases were higher than the rate per ton for the full.

Mr. Bruce Thomas: I think it will take Mr. Pike and I between us about 20 minutes, but there is a good deal of opposition; I cannot control that.

Mr. Abady: I am sorry to say there is intercurrent warfare in this matter; there are separate oppositions from the traders; we do not all agree.

Mr. Bruce Thomas: You will be sitting on Monday. Sir.

President: Do you think there is any chance of our being able to get it in on Monday?

Mr. Bruce Thomas: Yes; I think so. I think we can do the passenger matter and this matter quite comfortably on Monday.

President: Very well; we will not continue to-day.

Mr. Bruce Thomas: Will you say that this may precede the passenger matter?

President: If it would be a convenience to you. It will give you more time for your evidence.

Mr. Bruce Thomas: It will have that effect, and also I want to release Mr. Pike as soon as possible.

President: Very well; we will take it first on Monday.

Mr. Eric Bousfield: I have given Mr. Pike some of these cases, and he thinks my calculations are wrong. Still, as regards the other places I have taken, I noticed many of them included cartage and delivery, and in all the cases I have taken the rates are actually higher: I do suggest that where you have heavy empties, that is a case for a mileage charge, where the returned empty charge will work out at a rate per mile. I would just like to call Mr. Idris, of Idris and Company.

President: That is where your working out came in; it is not even on actual charges.

Mr. Eric Bousfield: It is not based on actual charges possibly that Mr. Idris has got; they are based on the railway company charges. When I say "worked-out" there is no book to-day which gives us the charges, you have to work them out.

Mr. Jepson: Would you ask Mr. Idris the plain question: has he got many cases in his mind where he has actually had to pay more for the return of an empty case of syphons or mineral water bottles than he has paid between the same points for the same case when full?

767. *Mr. Eric Bousfield:* Have you, Mr. Idris?—As a matter of practice what happens is this—

768. *Mr. Jepson:* Can you not answer that question?—We have certain charges made to us by the railway companies and in some cases the charges are actually higher for the empties than for the full.

769. When you say that, do you mean that the rate per ton is higher?—Yes.

770. Well, that is a different thing, you see. You may have a higher rate per ton, but the charge on the particular package of empties may not be so much as when it was sent out full, although the rate per ton might be higher?—That is so.

771. That is where the difference comes in when you are comparing these so-called charges?—I find cases in which I think the actual charge for the goods empty has exceeded the charge for the full.

772. Would those be in exceptional cases?—Those would be in the nature of exceptional cases.

Mr. Eric Bousfield: I do not suggest it is the regular thing.

Mr. Jepson: I thought you did from the way you were opening your case; I thought this was a grievance that you had got.

Mr. Eric Bousfield: No. What I say is, that the charges are such that in some cases they work out in that way, and that any charges which are so graduated, I submit, must be wrong to produce such a result. I was not suggesting that in fact they were actually wrong.

(The Witness withdrew.)

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Mr. EDWIN TOM SHORTO.

[Continued.]

Mr. Malacrida: Sir, I appear on behalf of the Traders' Traffic Conference in this matter. Their objection was worded in this way: "They consider the steps should be 25 miles up to 300 miles and 50 miles beyond."

Mr. EDWIN TOM SHORTO, sworn.

Examined by Mr. ERIC BOUSFIELD.

773. You are a director of Dewsbury & Brown?—Inside manager?

774. What does their traffic amount to in the course of the year; I think it is £7,320 for 1922?—That is the correct figure.

775. Is the bulk of that mineral waters either in syphons or in bottles?—That is so.

776. The weight of your syphons or bottles full is 3 qrs. 14 lbs.?—Yes.

777. And empty, 2 qrs. 14 lbs.?—That is so.

778. What is your experience as regards the cost of returned empties?—We have not any actual cases where the cost has exceeded the full, but the proportion is so great between empty and full that we are practically paying double carriage.

(The Witness withdrew.)

President: Do you wish to say anything on this point?

Mr. Pike: On this point I really do not know what I have to answer. It has been suggested that the charges are nearly double, but the weight that comes back is practically, or very nearly, the same as the weight that goes out; therefore, there does not seem to be any great discrepancy so far as that goes. The mileage divisions which have been set down here are those that apply to-day, and they have been agreed afresh with the whole of the Traders' Co-ordinating Committee, and it does seem that it would be rather undesirable to try and upset them for the sake of one particular set of objects.

President: Do you wish to address us on this schedule, Mr. Malacrida?

Mr. Malacrida: Yes. In connection with the objection of the Traders' Traffic Conference, I would like to deal with the latter part of the objection, which says that the terminals should be shown separately. If I may refer to the schedule set forth on page 23 it will be noticed that there is no provision made for terminals. If this schedule is a submission in connection with Section 30 of the Act, then I submit that we should have the terminal charges set forth separately. There has been in the past a great difficulty in knowing what the actual terminal charges are in connection with returned empties. If I may refer you to Section 11 of the Rates and Charges Order Confirmation Acts, 1891 and 1892, it reads as follows: "In respect of returned empties, if from the same station and consignee to which and to whom they were carried full and the same station and consignor from which and from whom they were carried full, the company may charge the following rates inclusive of station and service terminals." As I said just now, it is difficult to ascertain what the amount of the station and service terminals really is.

If we were to go back to the evidence that was given before the Committee in 1891, we should find that the basis of the scales for returned empties was something between Class C and Class 1. They arrived at a rough and ready compromise by giving a scale which was about 25 per cent. below the Class C maximum charges in operation at that time. We do ask that in this schedule the terminals should be set out in detail; otherwise it will mean that from time to time you will have applications lodged to the Tribunal for disintegration of these charges, and unless we have a standard it will be impossible to say what is the standard terminal included in the charges for the returned empties.

Mr. Pike: Well, Sir, these charges, as you will see, are provided for as per cwt., and the existing statutory charges start at 3d. per cwt., and when

Mr. Eric Bousfield: I should like to put Mr. Shorto into the box; he is from Manchester and represents the trade in the north. I will take him quite shortly.

779. What effect have the increased charges had on the amount that you have sent by rail; as it affected it?—Very seriously indeed.

President: He has sent them by motor.

Mr. Eric Bousfield: Yes, the effect is to drive it on to the roads.

780. Mr. Jepson: That is the increase of rates made during the last two or three years?—Yes, that is so.

Mr. Eric Bousfield: When you are paying on a double rate.

Mr. Jepson: I do not know what that has to do with this form of schedule.

Mr. Eric Bousfield: Well, it is only one question.

President: Do you wish to ask any questions, Mr. Pike?

Mr. Pike: No, Sir.

you get above 100 miles it is 3d. per cwt. for each 50 miles. How one is going to discriminate in a rate of pence how much is for terminal is rather difficult; you will get down to small decimals, and it does not seem to me to be a practical thing to do.

Mr. Jepson: In regard to the form of schedule which is proposed here, when the figures are filled in will that include the station and service terminals?

Mr. Pike: Yes. And not collection and delivery?

Mr. Jepson: The charges of the present scale, as shown in the General Classification, include collection and delivery within the limits prescribed?

Mr. Pike: Yes.

Mr. Jepson: And presumably therefore the scale also includes the station terminals?

Mr. Pike: Yes.

Mr. Jepson: The new form of schedule you are proposing here will be inclusive of station terminals where the station is used and service terminals at the station where incurred, but not collection and delivery?

Mr. Pike: No; that is the form proposed.

Mr. Jepson: It is not explained here that it does include them?

Mr. Pike: No.

Mr. Jepson: I see, by arrangement, I suppose, with the Co-ordination Committee the heading of the scale which originally read "Form of schedule of charges for the conveyance of returned empties" has "the conveyance of" struck out.

Mr. Pike: Yes.

Mr. Jepson: That probably has been done advisedly, because the scale will include something more than conveyance.

Mr. Pike: That is correct.

Mr. Jepson: But it does not show how much or how little it includes beyond conveyance?

Mr. Pike: No. I think we shall have to agree it with the traders if there is anything at all to be allowed, but the charge will be so small that it is very difficult to split it up; in fact, if we had to split it up the result would be that we should have to make it a little bigger, so as to be able to split it up.

Mr. Malacrida: If you take the basis that was arrived at in 1891 it was 25 per cent. below Class C maximum so we ought to have the terminals shown very clearly. It seems to me instead of showing it so much per cwt., it is quite easy to show what the tonnage figure would be. As Mr. Jepson said the other day, in answer to a passenger question I think, the traders are not going to be called upon to pay for services which are not performed by the railway

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[Continued.]

company, and in many cases these empties will be handled by the traders either in their sidings or in the station yards of the companies, and if the scale remains a composite scale it will be very difficult to ascertain the amount that is due to the trader for the services that he performs.

President: Did you raise this point in your original objection?

Mr. Malacrida: I understand it was raised in the original objection of the Traders' Traffic Conference.

Mr. Locket: The only point in the copy that is before me is a request that there shall be additional mileage gradations exceeding 50 and not exceeding 75, and exceeding 75 but not exceeding 100 miles.

Mr. Malacrida: I am sorry; the copy I have in my hand has an additional line: "Terminals to be shown separately."

Mr. Drage: May I explain how that is. The objection originally lodged by the Traders' Traffic Conference with the Co-ordinating Committee is divided into two parts. The matter was considered at various meetings, and as a result of the decisions which were arrived at, that Association decided that they would not accept the decisions of the Co-ordinating Committee in regard to mileage gradations, and therefore a separate objection on their behalf was submitted to the Tribunal in that respect. I never understood that they also wished to put forward their objection with regard to terminals, having regard to the decisions which were taken by my Committee.

Mr. Jepson: But there must have been some discussion to bring about the alteration in the heading of the proposal as originally submitted.

Mr. Drage: The matter was considered on several occasions and discussed with the railway companies, and as a result of a discussion with the companies the heading was altered in accordance with this red alteration. In view of that alteration the Co-ordinating Committee withdrew their objection.

Mr. Jepson: That discussion must have been on the question of whether terminals were or were not included in the notice.

Mr. Drage: I cannot refer to what happened at the discussions.

Mr. Jepson: But we see from the result that it must have been so.

Mr. Drage: That is the position, so far as I know.

President: Mr. Pike, this gentleman seems to be technically right.

Mr. Pike: I suppose, technically, he is right, but the difficulty, of course, is that these things do not pass in tons; they pass in cwt.; and to split up the charge per cwt. to show how much is for conveyance and how much for station terminals is almost impossible.

President: Do you really want to press this somewhat technical objection?

Mr. Malacrida: If you please; it is more than a technical objection. My friend Mr. Lukes, who deals very largely in empties, can tell you it is not a matter of cwt., but a matter of tons when you come to the very heavy drums which are used in the chemical trade, for instance, iron and steel drums and glass carboys, which pass in truckloads, gas cylinders, oxygen cylinders and chlorine cylinders, which load as much as 6 tons per truck.

President: I think the best thing you can do is, over the week-end to see your technical and legal advisers, Mr. Thomas and Mr. Taylor, and see what you can devise about this gentleman's objection, and if you come back and tell us that nothing can be done, we must deal with it.

Mr. Pike: If you please.

President: I think you had better make every kind of effort that you can to put in some form which might possibly deal with it. Mr. Bousfield, were you waiting for the decision of the Tribunal on the point you raised?

Mr. Eric Bousfield: I did not know if you would give it to-night.

President: The decision of the Tribunal is that they cannot see their way to alter the mileage gradations on behalf of one trader only against the unanimous consensus of opinion amongst the other gentlemen as to the mileage gradations.

(Adjourned to Monday next at 10.30.)